

FREE CONFERENCE COMMITTEE REPORT

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The Free Conference Committee on **HB 500** has met as provided in the Rules of the House and Senate and hereby reports the following to be adopted:

_____ **GA** X **SCS** _____ **HCS**

For the above-referenced bill, with these amendments (if applicable):

Committee (list by chamber and number): _____;

Floor (list by chamber and number): _____; and

The following Free Conference Committee action:

Beginning on page 1, after line 5, delete all language in its entirety and insert in lieu thereof the following:

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

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, 2025, and ending June 30, 2026, for the fiscal year beginning July 1, 2026, and ending June 30, 2027, and for the fiscal year beginning July 1, 2027, and ending June 30, 2028, 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.

1 state, county, and community offender populations for the 2028-2030 fiscal biennium and must
 2 coincide with the budgeted amount for these populations. This submission shall clearly divulge
 3 the methodology and reasoning behind the budgeted and projected offender population in a
 4 commitment to participate in transparent governing.

5 **3. HOMELAND SECURITY**

	2026-27	2027-28
6 General Fund	5,632,600	5,626,200
7 Restricted Funds	4,411,800	4,360,100
8 Federal Funds	9,955,400	9,983,700
9 TOTAL	19,999,800	19,970,000

10
 11 **(1) Next Generation 9-1-1 (NG9-1-1) Services:** Included in the above General Fund
 12 appropriation is a one-time allocation of \$5,000,000 in each fiscal year to complete the statewide
 13 deployment of NG9-1-1 services. The appropriation shall be used to implement a NG9-1-1
 14 system that is compliant with the National Emergency Number Association’s i3 Standard.

15 **(2) School Safety:** Included in the above appropriations is sufficient funding to
 16 implement and carry out the provisions of 2024 Ky. Acts ch. 165.

17 **4. VETERANS' AFFAIRS**

	2026-27	2027-28
18 General Fund	37,487,300	38,976,800
19 Restricted Funds	107,228,800	108,377,900
20 Federal Funds	300,000	300,000
21 TOTAL	145,016,100	147,654,700

22
 23 **(1) Weekend and Holiday Premium Pay Incentive:** The Kentucky Veterans Centers
 24 are authorized to continue the weekend and holiday premium pay incentive for the 2026-2028
 25 fiscal biennium.

26 **(2) Congressional Medal of Honor Recipients - Travel and Per Diem:** The
 27 Commissioner of the Department of Veterans' Affairs may approve travel and per diem expenses

1 incurred when Kentucky residents who have been awarded the Congressional Medal of Honor
2 attend veterans, military, or memorial events in the Commonwealth of Kentucky.

3 **(3) State Veterans Nursing Home:** All state veterans' nursing homes must meet a
4 combined 80 percent bed occupancy rate before any future projects will be considered. Once the
5 80 percent threshold has been met, it is the intent of the General Assembly that any future beds
6 allocated from the United States Department of Veterans Affairs or reallocated from the
7 Kentucky Department of Veterans' Affairs be dedicated to a state veterans nursing home in
8 Magoffin County to serve that area.

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

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

18 **(6) Kentucky Homeless Veterans Program:** Included in the above General Fund
19 appropriation is \$300,000 in each fiscal year to provide emergency financial assistance to
20 Kentucky's homeless veterans.

21 **(7) Bowling Green Veterans Center:** Included in the above appropriation is \$5,616,800
22 in General Fund and \$10,000,000 in Restricted Funds in each fiscal year to support the staffing
23 and operations of the Bowling Green Veterans Center.

24 **(8) Thomson-Hood Veterans Center Additional Positions:** Included in the above
25 Restricted Funds appropriation is \$5,110,800 in fiscal year 2026-2027 and \$5,488,400 in fiscal
26 year 2027-2028 for additional positions at the Thomson-Hood Veterans Center.

27 **(9) Western Kentucky Veterans Center Additional Positions:** Included in the above

1 Restricted Funds appropriation is \$6,397,400 in fiscal year 2026-2027 and \$6,778,600 in fiscal
 2 year 2027-2028 for additional positions at the Western Kentucky Veterans Center.

3 **(10) HBOT for Kentucky Vets:** Notwithstanding KRS 45.229, any unexpended funds
 4 authorized in 2024 Ky. Acts ch. 173, sec. 1, (3) to HBOT for Kentucky Vets shall not lapse and
 5 shall carry forward.

6 **5. KENTUCKY INFRASTRUCTURE AUTHORITY**

	2026-27	2027-28
7 General Fund	1,830,100	1,768,800
8 Restricted Funds	8,345,500	10,862,200
9 Federal Funds	440,051,600	288,578,900
10 TOTAL	450,227,200	301,209,900

11 **(1) Debt Service:** Included in the above Restricted Funds appropriation is \$2,486,000 in
 12 fiscal year 2026-2027 and \$4,972,000 in fiscal year 2027-2028 for new debt service to support
 13 new bonds as set forth in Part II, Capital Projects Budget, of this Act.

14 **(2) Rural Infrastructure Improvement Fund:** Notwithstanding KRS Chapter 45A or
 15 any statute to the contrary, any contract executed by the Kentucky Infrastructure Authority from
 16 the Rural Infrastructure Improvement Fund prior to June 30, 2026, shall remain in effect for the
 17 purpose of paying claims; however, no additional contracts may be entered into after this date.
 18 Notwithstanding 224A.1123(3)(c), unobligated funds as of June 30, 2026, or any portion of
 19 General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
 20 Account (KRS 48.705).
 21

22 The Kentucky Infrastructure Authority shall provide a report detailing Rural Infrastructure
 23 Improvement Fund reimbursements to the Interim Joint Committee on Appropriations and
 24 Revenue by October 1, 2026. This report shall include but not be limited to a list of grant
 25 recipients, the amount of each reimbursement, the status of project completion, and an
 26 explanation of any delays or challenges experienced as part of the reimbursement process.

27 **(3) Area Development District Reporting and Compensation:** Each area development

1 district shall submit a comprehensive financial report to the Kentucky Infrastructure Authority by
 2 September 1, 2026, detailing all expenditures made during the preceding fiscal year to satisfy the
 3 requirements of any contract or agreement between the district and the authority. This report
 4 shall include details concerning contracted water management planning services and the
 5 maintenance of the Water Resource Information System (WRIS) and other relevant contracted
 6 services.

7 The Kentucky Infrastructure Authority shall submit a report to the Interim Joint Committee
 8 on Appropriations and Revenue by November 1, 2026. The report shall include information
 9 received from the area development districts as well as financial information detailing funding
 10 distributed to the area development districts for WRIS and other relevant contracted services.

11 **6. MILITARY AFFAIRS**

	2026-27	2027-28
13 General Fund	29,252,300	28,669,500
14 Restricted Funds	21,449,500	21,566,600
15 Federal Funds	88,307,100	88,593,500
16 TOTAL	139,008,900	138,829,600

17 **(1) Kentucky National Guard:** Included in the above General Fund appropriation is
 18 \$4,500,000 in each fiscal year to be expended, subject to the conditions and procedures provided
 19 in this Act, which are required as a result of the Governor's declaration of emergency pursuant to
 20 KRS Chapter 39A, and the Governor's call of the Kentucky National Guard to active duty when
 21 an emergency or exigent situation has been declared to exist by the Governor. Notwithstanding
 22 KRS 45.229, any portion of the \$4,500,000 not expended shall lapse to the Budget Reserve Trust
 23 Fund Account (KRS 48.705) at the end of each fiscal year. In the event that costs for Governor-
 24 declared emergencies or the Governor's call of the Kentucky National Guard for emergencies or
 25 exigent situations exceed \$4,500,000 annually, up to \$100,000,000 for the 2026-2028 fiscal
 26 biennium shall be deemed necessary government expenses and shall be paid from the General
 27 Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

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

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

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

14 **7. COMMISSION ON HUMAN RIGHTS**

	2026-27	2027-28
16 General Fund	1,999,200	1,985,900
17 Restricted Funds	10,000	10,000
18 Federal Funds	445,000	445,000
19 TOTAL	2,454,200	2,440,900

20 **8. COMMISSION ON WOMEN**

21 **(1) Redistribution of Resources:** Notwithstanding KRS 12.020, 12.023, 14.260,
 22 15A.190, 214.554, and 344.510 to 344.530, no General Fund appropriation is provided for the
 23 Commission on Women in order to provide additional funding for Domestic Violence Shelters,
 24 Rape Crisis Centers, and Children's Advocacy Centers.

25 **9. DEPARTMENT FOR LOCAL GOVERNMENT**

	2026-27	2027-28
26 General Fund	10,227,100	12,001,300

1	Restricted Funds	4,404,700	2,346,300
2	Federal Funds	242,402,800	242,437,200
3	TOTAL	257,034,600	256,784,800

4 **(1) Appalachian Regional Commission Matching Funds:** Included in the above
 5 General Fund appropriation is \$240,000 in fiscal year 2026-2027 and \$232,500 in fiscal year
 6 2027-2028 for Area Development Districts to match increased Appalachian Regional
 7 Commission grants.

8 **(2) Kentucky Mountain Regional Recreation Authority:** Included in the above
 9 Restricted Funds appropriation is \$1,500,000 in each fiscal year for the Kentucky Mountain
 10 Regional Recreation Authority. Restricted Funds shall be transferred from the Tourism, Arts and
 11 Heritage Cabinet from taxes collected pursuant to KRS 142.400(2).

12 **(3) Area Development District Funding:** Included in the above General Fund
 13 appropriation is \$3,824,700 in fiscal year 2026-2027 and \$3,705,200 in fiscal year 2027-2028 for
 14 the Joint Funding Administration Program in support of the area development districts.

15 **(4) Mary Kendall Homes and Gateway Juvenile Diversion:** Included in the above
 16 General Fund appropriation is \$247,500 in fiscal year 2026-2027 and \$239,800 in fiscal year
 17 2027-2028 for the support of the Mary Kendall Homes and \$247,500 in fiscal year 2026-2027
 18 and \$239,800 in fiscal year 2027-2028 for the support of Gateway Juvenile Diversion.

19 **(5) Local Government Operations:** Notwithstanding KRS 65A.020(5)(a), included in
 20 the above Restricted Funds appropriation is \$2,000,000 in fiscal year 2026-2027 to support the
 21 operations of the Department for Local Government.

22 **(6) Delta Regional Authority Matching Funds:** Included in the above General Fund
 23 appropriation is \$240,000 in fiscal year 2026-2027 and \$232,500 in fiscal year 2027-2028 for
 24 area development districts to match increased Delta Regional Authority grants.

25 **10. LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND**

26		2026-27	2027-28
27	General Fund	27,926,700	25,211,600

1 **(1) Allocation of the Local Government Economic Assistance Fund:** Notwithstanding
 2 KRS 42.470(1)(a), 70 percent of moneys in the Local Government Economic Assistance Fund
 3 shall be distributed to each coal producing county on the basis of the ratio of coal severed in each
 4 respective county to the coal severed statewide. Notwithstanding KRS 42.470(1)(c), no
 5 allocation shall be distributed to non-coal producing counties.

6 **(2) Coal Haul Road System:** Notwithstanding KRS 42.455(2), no funds appropriated to
 7 the Local Government Economic Assistance Fund are required to be spent on the coal haul road
 8 system.

9 **(3) Jefferson County Mineral Severance:** Notwithstanding KRS 42.450 to 42.495, all
 10 funds distributed to Jefferson County in accordance with KRS 42.470(2)(a) shall be used by the
 11 Jefferson County Fiscal Court for Thrive By Five Louisville.

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

	2026-27	2027-28
14 General Fund	20,494,800	15,059,100

15 **(1) Coal Severance Tax Transfers:** Notwithstanding KRS 42.450 to 42.495, 70 percent
 16 of the severance and processing taxes on coal collected annually, except items described in
 17 subsection (2) below, shall be transferred to the Local Government Economic Development
 18 Fund. Notwithstanding KRS 42.450 to 42.495, 30 percent of the severance and processing taxes
 19 on coal collected annually, except items described in subsection (2) below, shall be transferred to
 20 the Local Government Economic Assistance Fund. Transfers to the Local Government Economic
 21 Development Fund and the Local Government Economic Assistance Fund shall be made
 22 quarterly in July, October, January, and April based upon actual revenues from the prior quarter.

23 **(2) Coal Severance Tax Collections Calculations and Transfers:** The above
 24 appropriations from the General Fund are based on the official estimate presented by the Office
 25 of State Budget Director. Notwithstanding KRS 42.450 to 42.495, coal severance tax collections
 26 during the 2026-2028 fiscal biennium shall first be allocated to the following programs or
 27 purposes on a quarterly basis:

1 (a) Department for Local Government: An annual appropriation of \$669,700 in each
2 fiscal year is appropriated as General Fund moneys to the Department for Local Government
3 budget unit for Local Government Economic Development Fund and Local Government
4 Economic Assistance Fund project administration costs;

5 (b) Debt Service: An annual appropriation of 100 percent of the debt service necessary to
6 support bonds authorized in 2003 Ky. Acts ch. 156, 2005 Ky. Acts ch. 173, 2006 Ky. Acts ch.
7 252, 2008 Ky. Acts ch. 127, and 2010 (1st Extra. Sess.) Ky. Acts ch. 1, in the amount of
8 \$17,747,700 in fiscal year 2026-2027 and \$16,786,700 in fiscal year 2027-2028 is appropriated
9 for that purpose;

10 (c) Osteopathic Medicine Scholarship Program: Notwithstanding KRS 164.7891(11)(b),
11 no transfers shall be made to the Osteopathic Medicine Scholarship Program within the
12 Kentucky Higher Education Assistance Authority;

13 (d) Pharmacy Scholarships: Notwithstanding KRS 164.7890(11)(c), no transfers shall be
14 made to the Coal County Pharmacy Scholarship Program within the Kentucky Higher Education
15 Assistance Authority; and

16 (e) Kentucky Coal Fields Endowment Authority: Notwithstanding KRS 42.453(3), no
17 transfers shall be made to the Kentucky Coal Field Endowment Authority.

18 **(3) Allocation of the Local Government Economic Development Fund:**
19 Notwithstanding KRS 42.4592(1), 50 percent of Local Government Economic Development
20 Fund moneys shall be allocated in accordance with KRS 42.4592(1)(a), and 50 percent shall be
21 allocated in accordance with KRS 42.4592(1)(b).

22 **(4) Use of the Local Government Economic Development Fund:** Notwithstanding
23 KRS 42.450 to 42.495, all funds appropriated to Local Government Economic Development
24 Fund Single-County Accounts shall be allocated to projects with the concurrence of the
25 respective county judge/executive, state senator(s), and state representative(s) of each county. If
26 concurrence is not achieved, the fiscal court of each county may apply for grants through the
27 Department for Local Government pursuant to KRS 42.4588.

1 **12. AREA DEVELOPMENT FUND**

2 (1) **Area Development Fund:** Notwithstanding KRS 42.345 to 42.370 and 48.185, or
 3 any statute to the contrary, no funding is provided for the Area Development Fund.

4 (2) **Area Development District Flexibility:** Notwithstanding KRS 42.350(2) and
 5 provided that sufficient funds are maintained in the Joint Funding Agreement program to meet
 6 the match requirements for the Economic Development Administration grants, Community
 7 Development Block Grants, Appalachian Regional Commission grants, or any federal program
 8 where the Joint Funding Agreement funds are utilized to meet nonfederal match requirements, an
 9 area development district with authorization from its Board of Directors may request approval to
 10 transfer funding between the Area Development Fund and the Joint Funding Agreement Program
 11 from the Commissioner of the Department for Local Government.

12 **13. REGIONAL DEVELOPMENT AGENCY ASSISTANCE FUND**

	2026-27	2027-28
13		
14 Restricted Funds	6,000,000	6,000,000

15 **14. EXECUTIVE BRANCH ETHICS COMMISSION**

	2026-27	2027-28
16		
17 General Fund	667,200	661,500
18 Restricted Funds	799,100	795,300
19 TOTAL	1,466,300	1,456,800

20 (1) **Use of Restricted Funds:** All penalties collected or received by the Executive
 21 Branch Ethics Commission shall be deposited in the State Treasury and credited to a trust and
 22 agency fund account to the credit of the Commission to be used by the Commission for the cost
 23 of conducting administrative hearings pursuant to KRS Chapter 13B. Notwithstanding KRS
 24 45.229, these funds shall not lapse and shall carry forward.

25 **15. SECRETARY OF STATE**

	2026-27	2027-28
26		
27 Restricted Funds	6,669,600	6,758,200

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

4 **(2) Salary Increment:** Notwithstanding KRS 64.480(2), the increment provided on the
 5 base salary of the Secretary of State shall be the same as that provided for eligible state
 6 employees in Part IV of this Act.

7 **16. BOARD OF ELECTIONS**

	2026-27	2027-28
8 General Fund	7,710,600	7,543,100
9 Restricted Funds	111,800	106,700
10 Federal Funds	1,829,800	1,829,800
11 TOTAL	9,652,200	9,479,600

12
 13 **(1) Cost of Elections:** Up to \$100,000 of costs associated with special elections, KRS
 14 117.345(2) costs associated with additional precincts with a voting machine, KRS 117.343 costs
 15 for additional registered voters, and KRS 116.145 costs for additional new registered voters shall
 16 be deemed a necessary government expense and shall be paid from the General Fund Surplus
 17 Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705). Any
 18 reimbursements authorized as a necessary government expense according to the above
 19 provisions shall be at the same rates as those established by the State Board of Elections.

20 **17. REGISTRY OF ELECTION FINANCE**

	2026-27	2027-28
21 General Fund	1,811,300	1,845,600

22
 23 **18. ATTORNEY GENERAL**

	2026-27	2027-28
24 General Fund (Tobacco)	150,000	150,000
25 General Fund	47,464,000	44,874,100
26 Restricted Funds	82,805,700	82,464,900

1	Federal Funds	66,540,000	63,655,400
2	TOTAL	196,959,700	191,144,400

3 **(1) State Enforcement:** Notwithstanding KRS 248.654 and 248.703(4), included in the
 4 above General Fund (Tobacco) appropriation is \$150,000 in each fiscal year for the state’s
 5 diligent enforcement of noncompliant nonparticipating manufacturers.

6 **(2) Expert Witnesses:** In addition to such funds as may be appropriated, the Office of
 7 the Attorney General and the Unified Prosecutorial System, on behalf of the Commonwealth’s
 8 Attorneys, may request from the Finance and Administration Cabinet, as a necessary government
 9 expense, such funds as may be necessary for expert witnesses. Upon justification of the request,
 10 the Finance and Administration Cabinet shall provide up to \$3,000,000 for the 2026-2028 fiscal
 11 biennium for this purpose to the Office of the Attorney General and the Unified Prosecutorial
 12 System from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund
 13 Account (KRS 48.705). Without charge, the Department of Insurance shall provide the Office of
 14 the Attorney General any available information to assist in the preparation of a rate hearing
 15 pursuant to KRS 304.17A-095. Expenditures under this subsection shall be reported to the
 16 Interim Joint Committee on Appropriations and Revenue by August 1 of each year.

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

23 **(4) Operations of the Office of the Attorney General:** Notwithstanding KRS
 24 367.478(2), 367.805(3), and 367.905(5), funds may be expended in support of the operations of
 25 the Office of the Attorney General.

26 **(5) Legal Services Contracts:** The Office of the Attorney General may present
 27 proposals to state agencies specifying legal work that is presently accomplished through personal

1 service contracts that indicate the Office of the Attorney General's capacity to perform the work
2 at a lesser cost. State agencies may agree to make arrangements with the Office of the Attorney
3 General to perform the legal work and compensate the Office of the Attorney General for the
4 legal services.

5 **(6) Civil Action Representation:** To ensure adequate representation of the interest of
6 the Commonwealth and to protect the financial condition of the Kentucky Retirement Systems, it
7 has been determined that it is necessary to allow the Attorney General appropriate authority to
8 engage private lawyers as co-counsel in Franklin Circuit Court Civil Action Nos. 17-CI-01348
9 and 20-CI-00590. Due to the highly complex and specialized nature of that litigation, KRS
10 Chapter 45A, et seq. would prevent the Attorney General from engaging counsel of his choice.
11 Accordingly, to protect the interest of the Commonwealth, and notwithstanding the requirements
12 of KRS Chapter 45A, et seq., which are hereby waived in with respect to the Attorney General
13 retaining private lawyers to prosecute Civil Action Nos. 17-CI-01348 and 20-CI-00590, and any
14 other civil action regarding the same subject matter or seeking the same relief as Civil Action
15 Nos. 17-CI-0138 and 20-CI-00590, the Attorney General is vested with the authority to hire and
16 pay counsel of his choice on any contractual basis the Attorney General deems advisable.

17 **(7) Salary Increment:** Notwithstanding KRS 64.480(2), the increment provided on the
18 base salary of the Attorney General shall be the same as that provided for eligible state
19 employees in Part IV of this Act.

20 **(8) Office of Medicaid Fraud and Abuse Control:** Included in the above
21 appropriations is \$1,278,700 in General Fund and \$801,000 in Federal Funds in fiscal year 2026-
22 2027 and \$1,193,700 in General Fund and \$546,000 in Federal Funds in fiscal year 2027-2028 to
23 support the Office of Medicaid Fraud and Abuse Control. The Office of the Attorney General
24 shall submit an annual report beginning December 1, 2026, to the Interim Joint Committee on
25 Appropriations and Revenue. The report shall include the number of reported fraud incidents, the
26 types of fraud reported, the number of reported fraud incidents investigated by the office, the
27 monetary amount involved in the fraudulent activity, and the resolution of the reported fraud

1 incidents.

2 **(9) Administrative Hearings:** Included in the above appropriations is \$3,241,200 in
3 Restricted Funds and \$1,939,700 in Federal Funds in each fiscal year to support the cost of
4 Administrative Hearings held by the Office of the Attorney General for the Cabinet for Health
5 and Family Services. The Attorney General shall bill the Cabinet for Health and Family Services
6 on a quarterly basis for the cost, not to exceed \$5,180,900 each fiscal year.

7 **(10) Training Incentive Payments:** Notwithstanding KRS 15.460(1), included in the
8 above Restricted Funds appropriation is \$4,653 in fiscal year 2026-2027 and \$4,746 in fiscal
9 year 2027-2028 for each participant for training incentive payments.

10 **(11) Body Armor Grant Program:** Included in the above Restricted Funds appropriation
11 is \$10,000,000 in each fiscal year of the 2026-2028 biennium for grants to law enforcement and
12 first responders for the purchase of body armor, duty weapons, ammunition, electronic-control
13 devices, and body-worn cameras. Notwithstanding KRS 15.430 and 15.470, excess Restricted
14 Funds from the Department of Criminal Justice Training shall be transferred to the Attorney
15 General for this purpose.

16 **(12) Child Support Services:** Included in the above appropriation is \$5,380,000 in
17 General Fund and \$10,443,500 in Federal Funds in fiscal year 2026-2027 and \$3,880,000 in
18 General Fund and \$7,531,800 in Federal Funds in fiscal year 2027-2028 to support child support
19 services.

20 **(13) Create Digital Forensics Lab:** Included in the above General Fund appropriation is
21 \$905,100 in fiscal year 2026-2027 and \$587,100 in fiscal year 2027-2028 to create a new
22 computer forensics laboratory in Western Kentucky.

23 **(14) Upgrade Communications Equipment:** Included in the above Restricted Funds
24 appropriation is \$569,000 in fiscal year 2026-2027 to upgrade communications equipment.
25 Notwithstanding KRS 15.430 and 15.470, excess Restricted Funds from the Department of
26 Criminal Justice Training shall be transferred to the Attorney General for this purpose.

27 **(15) Data Privacy Protections:** Included in the above appropriations is sufficient funding

1 to implement and carry out the provisions of 2024 Ky. Acts ch. 72.

2 **(16) Opioid Abatement Trust Fund Report:** The General Assembly recognizes the need
 3 for clear and coordinated planning to deliver effective and outcome driven substance use
 4 disorder (SUD) treatment and recovery services and the opportunities to achieve that goal
 5 through a strategic leveraging of Kentucky’s opioid abatement settlement funds. Beginning
 6 November 1, 2026, the Office of the Attorney General shall provide a quarterly report to the
 7 Legislative Research Commission on the SUD activities undertaken with the opioid abatement
 8 settlement funds as authorized pursuant to KRS 15.291 to 15.295. The report shall include:

9 (a) Grants made by the Kentucky Opioid Abatement Advisory Commission
 10 (commission) established in KRS 15.291 to subrecipients;

11 (b) Attestations made to the commission by any county, consolidated local government,
 12 urban-county government, or city in receipt of opioid abatement settlement funds as required
 13 under KRS 15.293(4)(c)2.a.; and

14 (c) Current and future anticipated settlements realized as a result of ongoing opioid
 15 litigation.

16 **19. UNIFIED PROSECUTORIAL SYSTEM**

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

20 **a. Commonwealth's Attorneys**

	2026-27	2027-28
21 General Fund	83,479,100	84,313,500
22 Restricted Funds	6,488,000	6,124,900
23 Federal Funds	359,200	359,200
24 TOTAL	90,326,300	90,797,600

25
 26 **(1) Salary Increment:** Notwithstanding KRS 15.755, no increment shall be provided on
 27 the base salary of the Commonwealth's Attorneys and staff.

1 **(2) Rocket Docket Program:** Included in the above General Fund appropriation is
 2 \$1,416,700 in each fiscal year to support the Rocket Docket Program.

3 **(3) Salary Compensation Standardization:** Included in the above General Fund
 4 appropriation is \$1,758,300 in fiscal year 2026-2027 and \$2,250,000 in fiscal year 2027-2028 to
 5 support the Salary Compensation Standardization for Commonwealth’s Attorneys.

6 **(4) Cloud Storage Cost:** Included in the above Restricted Funds appropriation is
 7 \$794,000 in fiscal year 2026-2027 and \$409,000 in fiscal year 2027-2028 for additional cloud
 8 storage costs for Commonwealth's Attorneys.

9 **b. County Attorneys**

	2026-27	2027-28
11 General Fund	86,248,300	87,108,900
12 Restricted Funds	901,200	905,800
13 Federal Funds	115,100	115,100
14 TOTAL	87,264,600	88,129,800

15 **(1) Salary Increment:** Notwithstanding KRS 15.765, no increment shall be provided on
 16 the base salary of the County Attorneys and staff.

17 **(2) County Attorney Retirement Costs:** Notwithstanding KRS 61.5991, included in the
 18 above General Fund appropriation is \$1,590,600 in each fiscal year to support each County
 19 Attorney's Office's share of the anticipated increase over each County Attorney’s Office’s fiscal
 20 year 2019-2020 baseline contribution as adjusted and posted under the 2026 Budget Bills tile on
 21 the Legislative Research Commission's website.

22 **(3) Rocket Docket Program:** Included in the above General Fund appropriation is
 23 \$549,800 in each fiscal year to support the Rocket Docket Program.

24 **(4) Salary Compensation Standardization:** Included in the above General Fund
 25 appropriation is \$2,455,500 in fiscal year 2026-2027 and \$2,864,500 in fiscal year 2027-2028 to
 26 support the Salary Compensation Standardization for County Attorneys.

27 **TOTAL - UNIFIED PROSECUTORIAL SYSTEM**

1		2026-27	2027-28
2	General Fund	169,727,400	171,422,400
3	Restricted Funds	7,389,200	7,030,700
4	Federal Funds	474,300	474,300
5	TOTAL	177,590,900	178,927,400

6 **20. TREASURY**

7		2026-27	2027-28
8	General Fund	3,986,300	3,958,200
9	Restricted Funds	2,086,600	2,058,600
10	Federal Funds	1,206,700	1,206,700
11	TOTAL	7,279,600	7,223,500

12 **(1) Unclaimed Property Fund:** Included in the above Restricted Funds appropriation is
 13 \$2,086,600 in fiscal year 2026-2027 and \$2,058,600 in fiscal year 2027-2028 from the
 14 Unclaimed Property Fund to provide funding for services performed by the Unclaimed Property
 15 Division of the Department of the Treasury.

16 **(2) Salary Increment:** Notwithstanding KRS 64.480(2), the increment provided on the
 17 base salary of the State Treasurer shall be the same as that provided for eligible state employees
 18 in Part IV of this Act.

19 **(3) Operations of the Department of the Treasury:** Included in the above General
 20 Fund appropriation is \$300,000 in each fiscal year to support operations.

21 **21. AGRICULTURE**

22		2026-27	2027-28
23	General Fund (Tobacco)	35,426,900	32,739,700
24	General Fund	20,949,800	22,945,700
25	Restricted Funds	14,505,100	12,323,200
26	Federal Funds	12,173,200	12,173,200
27	TOTAL	83,055,000	80,181,800

1 **(1) Use of Restricted Funds:** Notwithstanding KRS 217.570, 217B.580, and 438.335,
2 included in the above Restricted Funds appropriation is \$2,000,000 in fiscal year 2026-2027 to
3 support the operations of the Department of Agriculture.

4 **(2) Farms to Food Banks:** Included in the above General Fund (Tobacco) appropriation
5 is \$886,500 in fiscal year 2026-2027 and \$819,300 in fiscal year 2027-2028 to support the Farms
6 to Food Banks Program. The use of the moneys provided by this appropriation shall be restricted
7 to purchases of Kentucky-grown produce and protein from Kentucky farmers who participate in
8 the Farms to Food Banks Program.

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

12 **(4) Counties Account:** Notwithstanding KRS 248.703(1), included in the above General
13 Fund (Tobacco) appropriation is \$11,777,900 in fiscal year 2026-2027 and \$10,884,600 in fiscal
14 year 2027-2028 for the counties account as specified in KRS 248.703(1)(a).

15 **(5) State Account:** Notwithstanding KRS 248.703(1), included in the above General
16 Fund (Tobacco) appropriation is \$21,876,000 in fiscal year 2026-2027 and \$20,216,500 in fiscal
17 year 2027-2028 for the state account as specified in KRS 248.703(1)(b).

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

22 **(7) Kentucky Rural Mental Health, Suicide Prevention, and Farm Safety Program:**
23 Included in the above General Fund (Tobacco) appropriation is \$886,500 in fiscal year 2026-
24 2027 and \$819,300 in fiscal year 2027-2028 to support the Kentucky Rural Mental Health,
25 Suicide Prevention, and Farm Safety Program known as the Raising Hope Initiative. The
26 Department of Agriculture shall enhance awareness of the National Suicide Prevention Lifeline
27 (988) in rural communities in Kentucky, improve access to information on rural mental health

1 issues and available treatment services, provide outreach, and provide other necessary services to
2 improve the mental health outcomes of rural communities in Kentucky. The Farm Safety and
3 Rural Health Division, at its discretion, may receive, accept, and solicit grants, contributions of
4 money, property, labor, or other things of value from any governmental agency, individual,
5 nonprofit organization, or private business to be used for the Kentucky Rural Mental Health,
6 Suicide Prevention, and Farm Safety Program. The Department of Agriculture may utilize up to
7 \$150,000 of the appropriation amount in each fiscal year for program administration purposes.
8 The Department of Agriculture shall coordinate with the Raising Hope Initiative to take custody
9 of and maintain any intellectual property assets that were created or developed by any state
10 agency in connection with the Raising Hope Initiative.

11 The Department of Agriculture's Office of Agricultural Marketing shall submit a
12 comprehensive annual report to the Interim Joint Committee on Appropriations and Revenue and
13 the Tobacco Settlement Agreement Fund Oversight Committee no later than November 1 of each
14 fiscal year. At a minimum, the report shall include:

- 15 (a) An accounting of all expenditures by fund source;
- 16 (b) A detailed accounting of all administrative expenses;
- 17 (c) The total amount expended on grants, loans, and benefits;
- 18 (d) A detailed accounting of all expenses not otherwise classified;
- 19 (e) Identification of any unexpended funds and the reason why the funds were not
20 expended; and
- 21 (f) An explanation of how all expenditures align with program objectives.

22 The Division Director of the Farm Safety and Rural Health Division and the Executive
23 Director of the Kentucky Office of Agricultural Marketing shall provide a program update to the
24 Tobacco Settlement Agreement Fund Oversight Committee in November of each fiscal year.

25 **(8) Training Incentive Payments:** Notwithstanding KRS 15.460(1), included in the
26 above Restricted Funds appropriation is \$4,653 in fiscal year 2026-2027 and \$4,746 in fiscal
27 year 2027-2028 for each participant for training incentive payments.

1 **(9) Salary Increment:** Notwithstanding KRS 64.480(2), the increment provided on the
 2 base salary of the Commissioner of Agriculture shall be the same as that provided for eligible
 3 state employees in Part IV of this Act.

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

9 **(11) County Fair Grants:** Included in the above General Fund appropriation is \$720,000
 10 in fiscal year 2026-2027 and \$697,500 in fiscal year 2027-2028 to support capital improvement
 11 grants to the Local Agricultural Fair Aid Program.

12 **22. AUDITOR OF PUBLIC ACCOUNTS**

	2026-27	2027-28
14 General Fund	11,074,100	10,874,200
15 Restricted Funds	29,365,500	29,563,700
16 TOTAL	40,439,600	40,437,900

17 **(1) Audit Services Contracts:** Notwithstanding KRS 45.149, no state agency shall enter
 18 into any contract with a nongovernmental entity for audit services unless the Auditor of Public
 19 Accounts has declined in writing to perform the audit or has failed to respond within 30 days of
 20 receipt of a written request for such services. The agency’s request for audit services shall
 21 include a comprehensive statement of the scope and nature of the proposed audit.

22 **(2) Financial Audit Receipts:** The Auditor of Public Accounts shall provide a listing of
 23 fee receipts for all audits and special examinations, itemized by type, agency, or unit of
 24 government, as well as billing methodology to the Interim Joint Committee on Appropriations
 25 and Revenue by August 1 of each fiscal year.

26 **(3) Salary Increment:** Notwithstanding KRS 64.480(2), the increment provided on the
 27 base salary of the Auditor of Public Accounts shall be the same as that provided for eligible state

1 employees in Part IV of this Act.

2 **(4) Ombudsman:** Included in the above Restricted Funds appropriation is \$18,292,400
3 in each fiscal year to support the operation of the Commonwealth Office of the Ombudsman
4 within the Auditor of Public Accounts. The Auditor of Public Accounts may bill the Cabinet for
5 Health and Family Services for this amount on a prorated monthly basis.

6 **(5) Jefferson County Public Schools Audit:** Notwithstanding KRS 45.229, any portion
7 of the General Fund appropriation balance from 2024 Ky. Acts ch. 175, Part I, A., 22., (9) shall
8 not lapse and shall carry forward.

9 **(6) Kentucky Communications Network Authority and Kentucky Wired Audit:**
10 Notwithstanding KRS 45.229, the General Fund appropriation balance from 2025 Ky. Acts ch.
11 117 sec. 41 shall not lapse and shall carry forward.

12 **(7) Artificial Intelligence Initiative:** Included in the above Restricted Funds
13 appropriation is \$639,500 in fiscal year 2026-2027 and \$439,500 in fiscal year 2027-2028 as a
14 one-time allocation to support the purchase of new artificial intelligence auditing software.

15 **(8) Audit Billings:** Within a reasonable time after the Auditor of Public Accounts has
16 completed and distributed a report of a state entity audit, examination, investigation, or any other
17 action resulting in a report relating to a state entity, the Auditor of Public Accounts shall bill the
18 audited, examined, investigated, or acted upon state entity for the Auditor's expenses incurred
19 related to that audit, examination, investigation, or other action, and a copy of the bill shall be
20 forwarded to the Secretary of the Finance and Administration Cabinet. If the state entity, within
21 60 days following receipt of said bill, determines the charge to be excessive or otherwise
22 improper, it shall submit its objection to the Secretary of the Finance and Administration Cabinet
23 and to the State Treasurer for resolution of the controversy in accordance with this subsection. If
24 the amount billed has not been paid within 60 days from the date of billing, and no objection has
25 been filed, the Auditor shall notify the Secretary of the Finance and Administration Cabinet who
26 shall cause said amount to be paid. When an objection to the bill has been filed with the
27 Secretary of the Finance and Administration Cabinet and the State Treasurer, the amount found

1 to be equitable and just shall become payable immediately upon the entry of the final decision.
 2 Any controversy over the amount of the bill for the actual expenses incurred shall be submitted
 3 by the state entity to the Secretary of the Finance and Administration Cabinet and the State
 4 Treasurer for a decision as to the proper amount. In the event these two arbitrators fail to agree,
 5 then the controversy shall be submitted to the Attorney General, whose decision shall be final.

6 **(9) School Board Audits:** The Auditor of Public Accounts shall perform both random
 7 and targeted audits of school district finances to ensure compliance with Department of
 8 Education established policies, procedures, and Kentucky Revised Statutes. Notwithstanding
 9 KRS 156.265(4), the actual expense of any audit shall be borne by the district board of
 10 education.

11 **23. PERSONNEL BOARD**

	2025-26	2026-27	2027-28
13 General Fund	-0-	11,400	10,200
14 Restricted Funds	25,000	1,394,700	1,149,400
15 TOTAL	25,000	1,406,100	1,159,600

16 **(1) Hearing Officer Hourly Rate:** Included in the above Restricted Funds appropriation
 17 is \$80,000 in fiscal year 2026-2027 and \$50,000 in fiscal year 2027-2028 to increase the hearing
 18 officer hourly rate from \$125 to \$200 per hour.

19 **(2) Equipment Upgrade:** Included in the above Restricted Funds appropriation is
 20 \$60,000 in fiscal year 2026-2027 to upgrade the video and audio equipment in the hearing
 21 rooms.

22 **(3) Case Management Software:** Included in the above Restricted Funds appropriation
 23 is \$25,000 in fiscal year 2025-2026, \$100,000 in fiscal year 2026-2027, and \$50,000 in fiscal
 24 year 2027-2028 to purchase a new case management system for the Board’s operations.

25 **(4) Soundproofing:** Included in the above Restricted Funds appropriation is \$120,000 in
 26 fiscal year 2026-2027 to purchase soundproofing for the boardroom and two hearing rooms.

27 **24. KENTUCKY PUBLIC PENSIONS AUTHORITY**

		2026-27	2027-28
2	Restricted Funds	128,315,500	51,426,200

3 **(1) Kentucky Employees Retirement System Nonhazardous Pension Fund:** Pursuant
 4 to KRS 42.205, included in the above Restricted Funds appropriation is \$78,504,500 in fiscal
 5 year 2026-2027, to be applied to the unfunded pension liability of the Kentucky Employees
 6 Retirement System Nonhazardous pension fund.

7 **(2) Pension Administration System Modernization:** Included in the above Restricted
 8 Funds appropriation is \$750,000 in fiscal year 2026-2027 and \$1,500,000 in fiscal year 2027-
 9 2028 to support the modernization of the pension administration system.

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

11 **a. Accountancy**

		2026-27	2027-28
13	Restricted Funds	738,700	749,900

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

		2026-27	2027-28
16	Restricted Funds	405,400	405,400

17 **c. Applied Behavior Analysis Licensing**

		2026-27	2027-28
19	Restricted Funds	70,800	70,800

20 **d. Architects**

		2026-27	2027-28
22	Restricted Funds	485,500	493,200

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

		2026-27	2027-28
25	Restricted Funds	11,200	11,200

26 **f. Barbering**

		2026-27	2027-28
27			

1	Restricted Funds	510,900	519,200
2	g. Chiropractic Examiners		
3		2026-27	2027-28
4	Restricted Funds	301,900	301,900
5	h. Dentistry		
6		2026-27	2027-28
7	Restricted Funds	1,000,000	1,012,900
8	i. Licensed Diabetes Educators		
9		2026-27	2027-28
10	Restricted Funds	29,300	29,300
11	j. Licensure and Certification for Dietitians and Nutritionists		
12		2026-27	2027-28
13	Restricted Funds	94,100	94,100
14	k. Embalmers and Funeral Directors		
15		2026-27	2027-28
16	Restricted Funds	642,300	652,000
17	l. Licensure for Professional Engineers and Land Surveyors		
18		2026-27	2027-28
19	Restricted Funds	2,239,500	2,270,500
20	m. Certification of Fee-Based Pastoral Counselors		
21		2026-27	2027-28
22	Restricted Funds	3,600	3,600
23	n. Registration for Professional Geologists		
24		2026-27	2027-28
25	Restricted Funds	109,000	109,000
26	o. Hairdressers and Cosmetologists		
27		2026-27	2027-28

1	Restricted Funds	3,605,900	2,657,900
2	p. Specialists in Hearing Instruments		
3		2026-27	2027-28
4	Restricted Funds	77,900	77,900
5	q. Interpreters for the Deaf and Hard of Hearing		
6		2026-27	2027-28
7	Restricted Funds	51,800	51,800
8	r. Examiners and Registration of Landscape Architects		
9		2026-27	2027-28
10	Restricted Funds	92,800	95,300
11	s. Licensure of Marriage and Family Therapists		
12		2026-27	2027-28
13	Restricted Funds	141,300	141,300
14	t. Licensure for Massage Therapy		
15		2026-27	2027-28
16	Restricted Funds	150,700	150,700
17	u. Medical Imaging and Radiation Therapy		
18		2026-27	2027-28
19	Restricted Funds	512,500	521,000
20	v. Medical Licensure		
21		2026-27	2027-28
22	Restricted Funds	4,697,000	4,751,300
23	w. Nursing		
24		2026-27	2027-28
25	Restricted Funds	10,879,800	11,069,400
26	x. Licensure for Nursing Home Administrators		
27		2026-27	2027-28

1	Restricted Funds	101,100	101,100
2	y. Licensure for Occupational Therapy		
3		2026-27	2027-28
4	Restricted Funds	241,600	241,600
5	z. Ophthalmic Dispensers		
6		2026-27	2027-28
7	Restricted Funds	71,200	71,200
8	aa. Optometric Examiners		
9		2026-27	2027-28
10	Restricted Funds	312,700	316,500
11	ab. Pharmacy		
12		2026-27	2027-28
13	Restricted Funds	3,255,300	3,308,600
14	ac. Physical Therapy		
15		2026-27	2027-28
16	Restricted Funds	753,500	766,100
17	ad. Podiatry		
18		2026-27	2027-28
19	Restricted Funds	58,100	58,100
20	ae. Private Investigators		
21		2026-27	2027-28
22	Restricted Funds	113,700	113,700
23	af. Licensed Professional Counselors		
24		2026-27	2027-28
25	Restricted Funds	460,800	460,800
26	ag. Prosthetics, Orthotics, and Pedorthics		
27		2026-27	2027-28

1	Restricted Funds		46,300	46,300
2	ah. Emergency Medical Services			
3			2026-27	2027-28
4	General Fund		2,652,800	2,684,600
5	Restricted Funds		3,055,100	3,057,800
6	Federal Funds		345,200	348,500
7	TOTAL		6,053,100	6,090,900
8	ai. Examiners of Psychology			
9			2026-27	2027-28
10	Restricted Funds		431,000	431,000
11	aj. Respiratory Care			
12			2026-27	2027-28
13	Restricted Funds		345,400	350,800
14	ak. Social Work			
15			2026-27	2027-28
16	Restricted Funds		653,500	663,700
17	al. Speech-Language Pathology and Audiology			
18			2026-27	2027-28
19	Restricted Funds		225,500	225,500
20	am. Veterinary Examiners			
21		2025-26	2026-27	2027-28
22	Restricted Funds	62,000	816,900	813,600
23	TOTAL - OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS			
24		2025-26	2026-27	2027-28
25	General Fund	-0-	2,652,800	2,684,600
26	Restricted Funds	62,000	37,793,600	37,266,000
27	Federal Funds	-0-	345,200	348,500

1	TOTAL	62,000	40,791,600	40,299,100
2	26. KENTUCKY RIVER AUTHORITY			
3			2026-27	2027-28
4	General Fund		394,300	389,900
5	Restricted Funds		6,076,400	5,951,500
6	Federal Funds		4,300	-0-
7	TOTAL		6,475,000	6,341,400

8	27. SCHOOL FACILITIES CONSTRUCTION COMMISSION			
9			2026-27	2027-28
10	General Fund		104,962,400	107,195,800

11 **(1) Debt Service:** Included in the above General Fund appropriation is \$983,000 in fiscal
 12 year 2026-2027 and \$1,966,000 in fiscal year 2027-2028 for new debt service to support new
 13 bonds as set forth in Part II, Capital Projects Budget, of this Act.

14 **(2) Additional Offers of Assistance:** Notwithstanding KRS 157.611 to 157.665, the
 15 School Facilities Construction Commission is authorized to make an additional \$40,000,000 in
 16 offers of assistance during the 2026-2028 fiscal biennium in anticipation of debt service
 17 availability during the 2028-2030 fiscal biennium. No bonded indebtedness based on the above
 18 amount is to be incurred during the 2026-2028 fiscal biennium.

19 **(3) Use of Restricted Funds for Debt Service:** Notwithstanding KRS 157.618,
 20 Restricted Funds in the amount of \$8,453,400 in fiscal year 2026-2027 are hereby transferred to
 21 the Debt Service Fund to pay debt service on previously issued bonds.

22 **(4) Offers of Assistance Eligibility Requirements:** Notwithstanding KRS 157.611 to
 23 157.635 and 750 KAR 1:010, the School Facilities Construction Commission shall not make an
 24 offer of assistance to any local school district during the 2026-2028 fiscal biennium until the
 25 information required under Part I, C., 2., (9) of this Act has been received. A local school district
 26 shall not be eligible for an offer of assistance during the 2026-2028 fiscal biennium unless the
 27 district's facilities have been evaluated in the Kentucky Facilities Inventory and Classification

1 System (KFICS).

2 **28. TEACHERS' RETIREMENT SYSTEM**

	2026-27	2027-28
4 General Fund	1,225,339,000	1,277,624,600
5 Restricted Funds	21,915,700	23,008,100
6 TOTAL	1,247,254,700	1,300,632,700

7 **(1) Dependent Subsidy for All Retirees under age 65:** Pursuant to KRS 161.675(4),
 8 health insurance supplement payments made by the retirement system shall not exceed the
 9 amount of the single coverage insurance premium.

10 **(2) Retiree Health Insurance:** Pursuant to KRS 161.550(2)(b) and notwithstanding any
 11 statute to the contrary, included in the above General Fund appropriation is \$96,606,400 and
 12 excess state funding for retiree health insurance in the amount of \$3,993,600 from fiscal years
 13 2022-2023, 2023-2024, and 2024-2025 totaling \$100,600,000 in fiscal year 2026-2027 and
 14 \$112,400,000 in fiscal year 2027-2028 to support the state's contribution for the cost of retiree
 15 health insurance for members not eligible for Medicare who have retired on or after July 1, 2010.
 16 Notwithstanding KRS 161.675, the Teachers' Retirement System Board of Trustees shall provide
 17 health insurance supplement payments towards the cost of the single coverage insurance
 18 premium based on age and years of service credit of eligible recipients of a retirement allowance,
 19 the cost of which shall be paid from the Medical Insurance Fund. Notwithstanding KRS 161.675,
 20 the Teachers' Retirement System Board of Trustees shall authorize eligible recipients of a
 21 retirement allowance from the Teachers' Retirement System who are less than age 65 to be
 22 included in the state-sponsored health insurance plan that is provided to active teachers and state
 23 employees under KRS 18A.225. Notwithstanding KRS 161.675(4)(a), the contribution paid by
 24 retirees who are less than age 65 who qualify for the maximum health insurance supplement
 25 payment for single coverage shall be no more than the sum of (a) the employee contribution paid
 26 by active teachers and state employees for a similar plan, and (b) the standard Medicare Part B
 27 premium as determined by the Centers for Medicare and Medicaid Services. Notwithstanding

1 KRS 161.675(4)(a), the contribution paid by retirees who are less than age 65 who do not qualify
2 for the maximum health insurance supplement payment for single coverage shall be determined
3 by the same graduated formula used by the Teachers' Retirement System for Plan Year 2026.

4 **(3) Medical Insurance Fund Employee Contributions:** Notwithstanding KRS
5 161.540(1), the employee contribution to the Medical Insurance Fund shall not be changed in
6 each fiscal year.

7 **(4) Sick Leave Liability Reporting:** The Teachers' Retirement System shall provide a
8 report on the full actuarial cost of member sick leave, including the total actuarial liabilities of
9 the sick leave and the total actuarial costs to annually finance the sick leave as a percentage of
10 payroll and in total dollars by fund source, to the Public Pension Oversight Board no later than
11 December 1, 2027.

12 **(5) Actuarially Determined Employer Contribution:** Included in the above General
13 Fund appropriation is \$1,076,889,000 in fiscal year 2026-2027 and \$1,160,459,000 in fiscal year
14 2027-2028 to provide the full actuarially determined employer contribution. The Teachers'
15 Retirement System shall provide a report on the actuarially determined employer contribution to
16 the Public Pension Oversight Board no later than December 1, 2027.

17 **(6) Update and Maintain Pathway System:** Included in the above Restricted Funds
18 appropriation is \$900,000 in fiscal year 2026-2027 and \$1,700,000 in fiscal year 2027-2028 to
19 update and maintain the Pathway system.

20 **(7) SEEK Employer Contribution Shortfall:** Included in the above General Fund
21 appropriation is \$47,220,600 in fiscal year 2026-2027 for the deficit between estimated SEEK
22 employer match and the actual SEEK employer match required during the 2024-2026 fiscal
23 biennium.

24 **(8) Legacy Benefits Costs:** Included in the above General Fund appropriation is
25 \$191,800 in fiscal year 2026-2027 and \$334,400 in fiscal year 2027-2028 to provide funds for
26 actuarially determined increases in legacy benefit enhancements.

27 **29. APPROPRIATIONS NOT OTHERWISE CLASSIFIED**

		2026-27	2027-28
1			
2	General Fund	16,750,300	16,750,300

3 **(1) Repayment of Awards or Judgments:** Included in the above General Fund
 4 appropriation is \$245,200 in each fiscal year for the repayment of awards or judgments made by
 5 the Office of Claims and Appeals against departments, boards, commissions, and other agencies
 6 funded with appropriations out of the General Fund. However, awards under \$5,000 shall be paid
 7 from funds available for the operations of the agency.

8 **(2) Guardian Ad Litem Fees:** Included in the above General Fund appropriation is
 9 \$12,348,300 in each fiscal year for fees to be paid to each guardian ad litem appointed by the
 10 court pursuant to KRS 26A.140(1)(a), 199.502(3)(b), 202B.210, 311.732(3)(c), 403.100,
 11 403.727(2), 456.035(2), 620.100, 625.0405, 625.041, and 625.080. The fee shall be fixed by the
 12 court and shall not exceed \$500.

13 **(3) Reissuance of Uncashed Checks:** Included in the above General Fund appropriation
 14 is \$2,461,800 in each fiscal year to reissue checks written by the State Treasurer and not cashed
 15 within the statutory period pursuant to KRS 41.370.

16 **(4) Police Officer, Firefighter, and Active Duty National Guard and Reserve**
 17 **Survivor Benefits:** Included in the above General Fund appropriation is \$690,900 in each fiscal
 18 year for payment of benefits for survivors of state and local police officers, firefighters, and
 19 active duty National Guard and Reserve members pursuant to KRS 61.315 and for the cost of
 20 insurance premiums for firefighters pursuant to KRS 95A.070.

21 **(5) Attorney General Expense:** Included in the above General Fund appropriation is
 22 \$370,700 in each fiscal year for expenses associated with representation of the Commonwealth
 23 and payments for expert witnesses pursuant to KRS 12.215.

24 **(6) Prior Year Claims:** Included in the above General Fund appropriation is \$253,000 in
 25 each fiscal year to allow the Finance and Administration Cabinet to pay any valid expense
 26 incurred during the two preceding fiscal years pursuant to KRS 45.231.

27 **(7) Involuntary Commitments:** Included in the above General Fund appropriation is

1 \$63,400 in each fiscal year to provide funding for legal representation for persons requiring
2 involuntary hospitalization pursuant to KRS 202B.210.

3 **(8) Frankfort In Lieu of Taxes:** Included in the above General Fund appropriation is
4 \$200,000 in each fiscal year for payment to the City of Frankfort in lieu of property taxes
5 normally owed annually pursuant to KRS 45.021.

6 **(9) Medical Malpractice Liability Insurance Reimbursement:** Included in the above
7 General Fund appropriation is \$77,900 in each fiscal year to reimburse clinics and small,
8 regional health care providers for medical malpractice insurance premiums pursuant to KRS
9 304.40-075.

10 **(10) Blanket Employee Bonds:** Included in the above General Fund appropriation is
11 \$39,100 in each fiscal year to cover damages the Commonwealth might incur as the result of a
12 criminal action by an employee when securing bonds.

13 **(11) Funding Sources for Appropriations Not Otherwise Classified:** Funds required to
14 pay the costs of items included within Appropriations Not Otherwise Classified are appropriated.
15 Any required expenditure over the above amounts up to \$8,249,700 in each fiscal year shall be
16 paid first from the General Fund Surplus Account (KRS 48.700), if available, or from any
17 available balance in either the Judgments budget unit or the Budget Reserve Trust Fund Account
18 (KRS 48.705), subject to the conditions and procedures provided in this Act.

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

24 **30. JUDGMENTS**

25 **(1) Payment of Judgments and Carry Forward of General Fund Appropriation**
26 **Balance:** Notwithstanding KRS 45A.275, the payment of judgments that exceed the above
27 appropriation, as may be rendered against the Commonwealth by courts and orders of the State

1 Personnel Board, where applicable, shall be subject to KRS Chapter 45 and shall not be deemed
 2 a necessary governmental expense. Notwithstanding KRS 45A.270(1), funds required to pay any
 3 award or judgment against any department or agency of the state in excess of the above
 4 appropriation, shall be paid out of the funds created or collected for the maintenance and
 5 operation of such department or agency and otherwise paid pursuant to KRS 45A.270(2).
 6 Notwithstanding KRS 45.229, the General Fund appropriation in fiscal year 2025-2026 and
 7 fiscal year 2026-2027 shall not lapse and shall carry forward.

8 **31. KENTUCKY COMMUNICATIONS NETWORK AUTHORITY**

	2026-27	2027-28
10 General Fund	40,886,900	40,931,900
11 Restricted Funds	10,254,100	10,254,100
12 TOTAL	51,141,000	51,186,000

13 **(1) Availability Payments:** Included in the above General Fund appropriation is
 14 \$39,200,000 in fiscal year 2026-2027 and \$40,179,000 in fiscal year 2027-2028 for availability
 15 payments.

16 **(2) Capital Project Reporting:** On a quarterly basis, the Kentucky Communications
 17 Network Authority shall submit a report detailing the following for each capital project
 18 authorized:

19 (a) Project scope, including a definition of what project components are critical; costs
 20 related to each project component; information regarding which network location node, core
 21 equipment site, or end-user location is impacted; project milestones; and any changes or
 22 modifications from previous reports;

23 (b) Financial status, including how much has been spent of the authorization, cost
 24 overruns and/or savings, and impact on the Authority’s operating budget;

25 (c) Project timeline detailing progress towards project milestones and project completion
 26 status; and

27 (d) Procurement and contracts, including status of procurement activities detailing

1 contracts awarded and pending, and any changes to contract terms or conditions.

2 The Authority shall present this quarterly report to the Capital Projects and Bond Oversight
3 Committee.

4 **TOTAL - GENERAL GOVERNMENT**

	2025-26	2026-27	2027-28
5 General Fund (Tobacco)	-0-	35,576,900	32,889,700
7 General Fund	-0-	1,799,708,900	1,849,367,500
8 Restricted Funds	87,000	502,004,800	424,351,500
9 Federal Funds	-0-	864,097,400	710,026,200
10 TOTAL	87,000	3,201,388,000	3,016,634,900

11 **B. ECONOMIC DEVELOPMENT CABINET**

12 **Budget Unit**

13 **1. ECONOMIC DEVELOPMENT**

	2026-27	2027-28
15 General Fund	26,731,900	27,490,900
16 Restricted Funds	5,637,200	4,286,300
17 Federal Funds	436,000	401,000
18 TOTAL	32,805,100	32,178,200

19 **(1) Funding for Commercialization and Innovation:** Notwithstanding KRS 154.12-
20 278, interest income earned on the balances in the High-Tech Construction/Investment Pool and
21 loan repayments received by the High-Tech Construction/Investment Pool shall be used to
22 support the Office of Entrepreneurship and are appropriated in addition to amounts appropriated
23 above.

24 **(2) Lapse and Carry Forward of General Fund Appropriation Balance for**
25 **Bluegrass State Skills Corporation:** Notwithstanding KRS 45.229, the General Fund
26 appropriation balance for Bluegrass State Skills Corporation training grants for fiscal year 2025-
27 2026 and fiscal year 2026-2027 shall not lapse and shall carry forward. The amount available to

1 the Corporation for disbursement in each fiscal year shall be limited to the unexpended training
2 grant allotment balance at the end of each fiscal year combined with the additional training grant
3 allotment amounts in each fiscal year of the 2026-2028 fiscal biennium, less any disbursements.
4 If the required disbursements exceed the Bluegrass State Skills Corporation training grants
5 allotment balance, notwithstanding KRS 154.12-278, Restricted Funds may be expended for
6 training grants.

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

10 **(4) Carry Forward of General Fund Appropriation Balance:** Notwithstanding KRS
11 45.229, the General Fund appropriation in fiscal year 2025-2026 and fiscal year 2026-2027 to the
12 Cabinet for Economic Development, Science and Technology Program, shall not lapse and shall
13 carry forward in the Cabinet for Economic Development.

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

17 **(6) Training Grants:** Included in the above General Fund appropriation is \$2,400,000 in
18 fiscal year 2026-2027 and \$2,325,000 in fiscal year 2027-2028 for the Bluegrass State Skills
19 Corporation to make training grants to support manufacturing-related investments. The
20 Corporation shall utilize these funds for a manufacturer designated by the United States
21 Department of Commerce, United States Census Bureau North American Industry Classification
22 System code of 336111, 336112, 336120, or 336211 that employs at least 10,000 full-time
23 persons at the same facility or at multiple facilities located within the same county to help offset
24 associated costs of retraining its workforce. Notwithstanding KRS 45.229, the General Fund
25 appropriation balance for Bluegrass State Skills Corporation training grants for fiscal year 2025-
26 2026 and fiscal year 2026-2027 shall not lapse and shall carry forward.

27 **(7) Kentucky Product Development Initiative:** Notwithstanding KRS 45.229, the

1 balance of the General Fund appropriation authorized in 2022 Ky. Acts ch. 199, Part I, B., 1.,
2 (12) shall not lapse and shall carry forward.

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

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

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

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

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

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

22 **(14) Kentucky Film Office:** Included in the above Restricted Funds appropriation is
23 \$500,000 in each fiscal year to support staff and operational costs for the Kentucky Film Office.
24 Notwithstanding KRS 142.406, for fiscal year 2027-2028, 2.5% of the transient room tax
25 collected pursuant to KRS 142.400 up to a maximum amount of \$500,000 shall be transferred to
26 the Kentucky Film Office.

27 **C. DEPARTMENT OF EDUCATION**

1 **Budget Units**

2 **1. SUPPORT EDUCATION EXCELLENCE IN KENTUCKY (SEEK) PROGRAM**

	2026-27	2027-28
4 General Fund	3,533,921,800	3,565,170,200

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

7 **(2) Allocation of SEEK Funds:** Notwithstanding KRS 157.360(2)(c), the above General
8 Fund appropriation to the base SEEK Program is intended to provide a base guarantee of \$4,626
9 per student in average daily attendance in fiscal year 2026-2027 and \$4,792 per student in
10 average daily attendance in fiscal year 2027-2028, as well as to meet the other requirements of
11 KRS 157.360. Notwithstanding KRS 157.360(2), each district’s base funding level shall be
12 adjusted for the number of students demonstrating limited proficiency in English language skills,
13 multiplied by 0.096.

14 Funds appropriated to the SEEK Program shall be allotted to school districts in accordance
15 with KRS 157.310 to 157.440, except that the total of the funds allotted shall not exceed the
16 appropriation for this purpose, except as provided in this Act. The total appropriation for the
17 SEEK Program shall be measured by, or construed as, estimates of the state expenditures
18 required by KRS 157.310 to 157.440. If the required expenditures exceed these estimates, the
19 Secretary of the Finance and Administration Cabinet, upon the written request of the
20 Commissioner of Education and with the approval of the Governor, may increase the
21 appropriation by such amount as may be available and necessary to meet, to the extent possible,
22 the required expenditures under the cited sections of the Kentucky Revised Statutes, but any
23 increase of the total appropriation to the SEEK Program is subject to Part III, General Provisions,
24 of this Act and KRS Chapter 48. If funds appropriated to the SEEK Program are insufficient to
25 provide the amount of money required under KRS 157.310 to 157.440, allotments to local school
26 districts may be reduced in accordance with KRS 157.430.

27 **(3) SEEK Lapse:** Notwithstanding KRS 45.229, any General Fund amounts

1 appropriated to the SEEK Program that are not necessary to meet the requirements set forth in
2 KRS 157.310 to 157.440 in each fiscal year shall lapse to the Budget Reserve Trust Fund
3 Account (KRS 48.705).

4 **(4) Base SEEK Allotments:** Notwithstanding KRS 157.420(2), included in the above
5 General Fund appropriation is \$2,043,023,100 in fiscal year 2026-2027 and \$2,098,833,800 in
6 fiscal year 2027-2028 for the base SEEK Program as defined by KRS 157.360. Funds
7 appropriated to the SEEK Program shall be allotted to school districts in accordance with KRS
8 157.310 to 157.440, except that the total of the funds allotted shall not exceed the appropriation
9 for this purpose, except as provided in this Act.

10 **(5) Tier I Component:** Included in the above General Fund appropriation is
11 \$248,291,300 in fiscal year 2026-2027 and \$237,494,100 in fiscal year 2027-2028 for the Tier I
12 component as established by KRS 157.440. Notwithstanding KRS 157.440(1)(a), the board of
13 education of each school district may levy an equivalent tax rate as defined in KRS
14 160.470(9)(a) which will produce up to 17.5 percent of those revenues guaranteed by the SEEK
15 Program. The levy shall be made no later than October 1 of each odd numbered year, and
16 revenue generated by this levy shall be equalized at 150 percent of the statewide average per
17 pupil assessment.

18 **(6) Vocational Transportation:** Included in the above General Fund appropriation is
19 \$7,833,100 in each fiscal year for vocational transportation.

20 **(7) Teachers' Retirement System Employer Match:** Included in the above General
21 Fund appropriation is \$529,410,000 in fiscal year 2026-2027 and \$541,260,000 in fiscal year
22 2027-2028 to enable local school districts to provide the employer match for qualified
23 employees.

24 **(8) Salary Supplements for Nationally Certified Teachers:** Notwithstanding KRS
25 157.395, included in the above General Fund appropriation is \$4,000,000 in each fiscal year for
26 the purpose of providing salary supplements for public school teachers attaining certification by
27 the National Board for Professional Teaching Standards. Notwithstanding KRS 157.395, if the

1 appropriation is insufficient to provide the mandated salary supplement for teachers who have
2 obtained this certification, the Department of Education is authorized to pro rata reduce the
3 supplement.

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

7 **(10) Facilities Support Program of Kentucky/Equalized Nickel Levies:** Included in the
8 above General Fund appropriation is \$137,176,700 in fiscal year 2026-2027 and \$126,577,500 in
9 fiscal year 2027-2028 to provide facilities equalization funding pursuant to KRS 157.440 and
10 157.620.

11 **(11) Growth Levy Equalization Funding:** Included in the above General Fund
12 appropriation is \$54,370,400 in fiscal year 2026-2027 and \$46,449,200 in fiscal year 2027-2028
13 to provide facilities equalization funding pursuant to KRS 157.440 and 157.620 for districts
14 meeting the eligibility requirements of KRS 157.621(1) and (4). Notwithstanding KRS
15 157.621(1)(b)2., a school district that imposes the levy authorized by KRS 157.621(1)(b)1. shall
16 be equalized for that levy, in addition to the equalization funding appropriated in accordance
17 with KRS 157.621(1)(b)2., and all funds for this purpose shall be committed to debt service, new
18 facilities, or major renovations in accordance with KRS 157.440(1)(b). It is the intent of the 2026
19 General Assembly that any local school district receiving equalization under this subsection shall
20 receive full calculated equalization until the earlier of 20 years of the effective date of this Act,
21 or the date the bonds for the local school district supported by this equalization are retired, in
22 accordance with KRS 157.621(2).

23 **(12) Retroactive Equalized Facility Funding:** Included in the above General Fund
24 appropriation is \$75,574,900 in fiscal year 2026-2027 and \$70,808,700 in fiscal year 2027-2028
25 to provide equalized facility funding pursuant to KRS 157.440 and 157.620 to districts meeting
26 the eligibility requirements of KRS 157.621(2) and (4). In addition, a local board of education
27 that levied a tax rate subject to recall by January 1, 2014, in addition to the five cents levied

1 pursuant to KRS 157.440(1)(b) and that committed the receipts to debt service, new facilities, or
2 major renovations of existing facilities shall be eligible for equalization funds from the state at
3 150 percent of the statewide average per pupil assessment. Revenue to generate the five cent
4 equivalent levy may be obtained from levies on property, motor vehicles, or the taxes authorized
5 by KRS 160.593 to 160.597, 160.601 to 160.633, and 160.635 to 160.648 if the levy was
6 dedicated to facilities funding at the time of the levy. The equalization funds shall be used as
7 provided in KRS 157.440(1)(b). Notwithstanding KRS 157.621(2)(a) and (4), for the 2026-2028
8 fiscal biennium, school districts that levied the tax rate subject to recall prior to January 15,
9 2024, shall be equalized at 100 percent of the calculated equalization funding, school districts
10 that levied the tax rate subject to recall after January 15, 2024, and before January 1, 2026, shall
11 be equalized at 25 percent of the calculated equalization funding, and all funds for this purpose
12 shall be committed to debt service, new facilities, or major renovations in accordance with KRS
13 157.440(1)(b). It is the intent of the 2026 General Assembly that any local school district
14 receiving equalization under this subsection shall receive full calculated equalization until the
15 earlier of 20 years from the effective date of this Act or the date the bonds for the local school
16 district supported by this equalization funding are retired, in accordance with KRS 157.621(2). It
17 is also the intent of the 2026 General Assembly that any local school district that levies a tax rate
18 subject to recall after January 1, 2026, shall not receive equalization in the 2028-2030 fiscal
19 biennium and thereafter.

20 **(13) Equalized Facility Funding:** Included in the above General Fund appropriation is
21 \$18,746,800 in fiscal year 2026-2027 and \$17,186,100 in fiscal year 2027-2028 to provide
22 equalized facility funding pursuant to KRS 157.440 and 157.620 to districts meeting the
23 eligibility requirements of KRS 157.621(3) and (4). Notwithstanding KRS 157.621(3)(c), a
24 school district meeting the criteria of KRS 157.621(3)(a) and (b) shall be equalized at 100
25 percent of the calculated equalization funding in each fiscal year, and all funds for this purpose
26 shall be committed to debt service, new facilities, or major renovations in accordance with KRS
27 157.440(1)(b). In addition, notwithstanding KRS 157.621(1) and (3), a school district that has

1 levied a five-cent equivalent rate authorized by KRS 157.621(1)(a) and is not receiving state
2 equalization funding for that levy under KRS 157.621(1)(b), 157.621(3), or any other provision
3 of this Act, shall be equalized at 100 percent of the calculated equalization funding in each fiscal
4 year, and all funds for this purpose shall be committed to debt service, new facilities, or major
5 renovations in accordance with KRS 157.440(1)(b). It is the intent of the 2026 General Assembly
6 that any local school district receiving equalization under this subsection shall receive full
7 calculated equalization until the earlier of 20 years of the effective date of this Act, or the date
8 the bonds for the local school district supported by this equalization are retired, in accordance
9 with KRS 157.621(3).

10 **(14) BRAC Equalized Facility Funding:** Notwithstanding KRS 157.621(1)(c)2.,
11 included in the above General Fund appropriation is \$3,162,200 in fiscal year 2026-2027 and
12 \$2,749,400 in fiscal year 2027-2028 to provide equalized facility funding to school districts
13 meeting the eligibility requirements of KRS 157.621(1)(c)1. pursuant to KRS 157.440 and
14 157.620. It is the intent of the 2026 General Assembly that the district receiving equalization
15 under this subsection shall not receive equalization after the 2028-2030 fiscal biennium.

16 **(15) Equalization Funding for Critical Construction Needs Schools:** Included in the
17 above General Fund appropriation is \$10,136,800 in fiscal year 2026-2027 and \$9,781,800 in
18 fiscal year 2027-2028 to school districts in accordance with KRS 157.621(5).

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

25 **(17) Residential Youth-at-Risk Programs:** In accordance with KRS 157.360, no funds
26 from the SEEK Program shall be distributed to the programs operated by the Kentucky Guard
27 Youth Challenge Division of the Department of Military Affairs. Notwithstanding KRS 157.350,

1 157.360, 157.410, and any other statute to the contrary, any school district providing educational
2 services to students enrolled in programs operated by the Kentucky Guard Youth Challenge
3 Division of the Department of Military Affairs shall be paid for those services solely from the
4 General Fund appropriation in Part I, A., 6. of this Act, and students enrolled in such programs
5 shall not be included in the average daily attendance for purposes of SEEK Program funding.

6 **(18) Salary Supplements for Certified Audiologists and Speech Language**
7 **Pathologists:** Included in the above General Fund appropriation is \$2,312,000 in each fiscal year
8 for the purpose of providing a \$2,000 salary supplement each year for full-time public school
9 Audiologists and Speech Language Pathologists that have active Certificates of Clinical
10 Competence, as offered by the American Speech-Language-Hearing Association.
11 Notwithstanding any statute to the contrary, if the appropriation is insufficient to provide all full-
12 time public school American Speech-Language-Hearing Association certified Audiologists and
13 Speech Language Pathologists with the \$2,000 stipend, then the Department of Education is
14 authorized to pro rata reduce the supplement.

15 **(19) Full-Day Kindergarten:** Notwithstanding KRS 157.320 or any other statute or
16 regulation to the contrary, the Department of Education shall count each kindergarten pupil in
17 full for that respective school year, for the purpose of determining SEEK funds and any other
18 state funding based in whole or in part on average daily attendance for the district, except that a
19 district shall receive an amount equal to one-half of the state portion of the average statewide per
20 pupil guaranteed base funding level for each student who graduated early under the provisions of
21 KRS 158.142.

22 **(20) SEEK Transportation:** Notwithstanding KRS 157.370 and 157.360(2)(c), included
23 in the above General Fund appropriation is \$398,884,500 in each fiscal year to support pupil
24 transportation.

25 **(21) Legislative Policy Requirement:** The 2026 General Assembly provides the
26 following requirement to local boards of education and the Kentucky Department of Education:

27 (a) Local school districts that receive state funding from the Support Education

1 Excellence in Kentucky Program shall:

2 1. Prominently display, in not less than 16-point type, on the local board of education's
3 internet landing page, the district's percentage of students scoring Proficient in Reading, the
4 district's percentage of students scoring Distinguished in Reading, the district's percentage of
5 students scoring Proficient in Mathematics, and the district's percentage of students scoring
6 Distinguished in Mathematics on the most recent Kentucky Summative Assessment, as defined
7 by KRS 158.6453;

8 2. Prominently display a web link to the detailed results of the district's performance on
9 the most recent Kentucky Summative Assessment on the local board of education's internet
10 landing page;

11 3. Display the same information specified in subparagraph 1. of this paragraph at the top
12 of each page of the board's website in a banner format;

13 4. Prominently display, in not less than 16-point type, on each school's internet landing
14 page, the school's percentage of students scoring Proficient in Reading, the school's percentage
15 of students scoring Distinguished in Reading, the percentage of students scoring Proficient in
16 Mathematics, and the percentage of students scoring Distinguished in Mathematics on the
17 school's most recent Kentucky Summative Assessment;

18 5. Prominently display on each school's internet landing page, a link to the detailed
19 results of the school's results on the most recent Kentucky Summative Assessment; and

20 6. Display the same information specified in subparagraph 4. of this paragraph in banner
21 format on each page of the school's website;

22 (b) The Kentucky Department of Education shall post a rank order by overall academic
23 performance of all schools on its website;

24 (c) The Kentucky Department of Education shall ensure compliance with this subsection
25 by every district, and offer assistance, as needed;

26 (d) The 2026 General Assembly is aware of the intention of surrounding states to set
27 increased minimum salaries for classroom teachers in those states by statute or regulation. The

1 General Assembly also recognizes the fact that the local economy heavily affects the salary
2 schedules of classified employees; and

3 (e) The 2026 General Assembly directs each local board of education to consider the
4 actions of other states and the local economy and the related effect on recruitment and retention
5 when establishing the salary schedules for classroom teachers and classified employees.
6 Additional funds have been made available to local school districts through increases in SEEK
7 resources. The 2026 General Assembly encourages local school districts to provide certified and
8 classified staff a salary or compensation increase.

9 (22) **Star Charter Academy:** Included in the above General Fund appropriation is
10 \$1,000,000 in each fiscal year as a one-time allocation to support a pilot program of Star
11 Academy schools within existing public schools throughout the state.

12 (23) **SEEK Per Pupil Reporting:** Publicly available reports published or distributed by
13 the Kentucky Department of Education related to the SEEK Program disbursements to districts
14 shall include adjustments that capture the total state funding per student by aggregating all state
15 appropriations made on behalf of school districts, including Teachers' Retirement System
16 payments and insurance payments, and express the totals on a per pupil basis using the district's
17 prior year statewide average daily attendance. These calculations shall be separate from and shall
18 not be incorporated into the SEEK formula or used to determine SEEK allotments.

19 (24) **Academic Academies:** Notwithstanding KRS 157.310 to 157.440 and 157.621,
20 students enrolled in the Craft Academy for Excellence in Science and Mathematics, the Gatton
21 Academy for Excellence in Science and Mathematics in Kentucky, and the Votruba Young
22 Scholars Academy shall not be included in the average daily attendance of the students' districts
23 of residence for the purpose of calculating SEEK program funding in each fiscal year of the
24 2026-2028 fiscal biennium.

25 (25) **Model Laboratory School SEEK Calculation Adjustment:** Notwithstanding KRS
26 164.380(5), adjustments to SEEK Program funding for students attending the Eastern Kentucky
27 University Model Laboratory School shall be reduced by \$900,000 in fiscal year 2026-2027 and

1 \$1,800,000 in fiscal year 2027-2028. It is the intent of the 2026 General Assembly to eliminate
 2 the adjustment in subsequent fiscal years.

3 **(26) Transportation Calculation Flexibility:** Notwithstanding KRS 157.370 and 702
 4 KAR 5:020, a school district may request that the Commissioner of Education use the second
 5 preceding year’s days transported in place of the prior year’s days transported for purposes of the
 6 calculation under KRS 157.370 and 702 KAR 5:020 if the district calendar was negatively
 7 impacted by new construction or major renovations. Nothing in this provision shall require a
 8 school district to use a number of days transported that would reduce the funding calculated
 9 under KRS 157.370.

10 **2. OPERATIONS AND SUPPORT SERVICES**

	2026-27	2027-28
11 General Fund	62,072,200	60,564,500
12 Restricted Funds	4,751,300	5,612,800
13 Federal Funds	565,770,700	565,989,000
14 TOTAL	632,594,200	632,166,300

16 **(1) Advanced Placement and International Baccalaureate Exams:** Notwithstanding
 17 KRS 160.348(3), included in the above General Fund appropriation is \$960,000 in fiscal year
 18 2026-2027 and \$930,000 in fiscal year 2027-2028 to pay the cost of Advanced Placement and
 19 International Baccalaureate examinations for those students who meet the eligibility
 20 requirements for free or reduced-price meals.

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

- 24 (a) A count and list, by name, of all full-time, part-time, and interim employees
 25 employed under KRS Chapter 18A;
- 26 (b) A count and list, by name, of all contract employees;
- 27 (c) The position title, Kentucky Department of Education office served, and primary

1 work location of every employee;

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

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

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

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

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

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

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

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

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

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

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

27 **(5) Educators Employment Liability Insurance Program:** Included in the above

1 General Fund appropriation is \$4,800,000 in fiscal year 2026-2027 and \$4,650,000 in fiscal year
 2 2027-2028 to support the educators employment liability insurance program pursuant to KRS
 3 161.212.

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

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

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

13 **(9) School District Project and Indebtedness Report:** The Kentucky Department of
 14 Education, with assistance from the School Facilities Construction Commission, shall compile
 15 and submit a report to the Interim Joint Committee on Appropriations and Revenue by June 30,
 16 2027. The report shall be submitted in a format set forth by the Legislative Research
 17 Commission and shall include, at a minimum, a list of every local school district’s existing
 18 bonded projects, the date and amount of any additional tax levy enacted by a school board for
 19 each project, any equalization provisions provided for each project, the total amount of debt
 20 service payments made by each district, and the amount of debt service remaining and
 21 anticipated retirement dates of the debt service associated with each project.

22 **3. LEARNING AND RESULTS SERVICES**

	2026-27	2027-28
24 General Fund	1,526,964,400	1,729,548,700
25 Restricted Funds	36,143,000	43,692,000
26 Federal Funds	621,154,200	619,729,900
27 TOTAL	2,184,261,600	2,392,970,600

1 **(1) Kentucky Education Technology System:** Notwithstanding KRS 157.650 to
2 157.665, the School for the Deaf and the School for the Blind shall be fully eligible, along with
3 local school districts, to participate in the Kentucky Education Technology System in a manner
4 that takes into account the special needs of the students of these two schools.

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

13 **(3) Health Insurance:** Included in the above General Fund appropriation is
14 \$1,076,821,500 in fiscal year 2026-2027 and \$1,277,823,800 in fiscal year 2027-2028 for
15 employer contributions for health insurance and the contribution to the health reimbursement
16 account for employees waiving coverage. Notwithstanding KRS 45.229, General Fund in the
17 amount of \$98,310,700 in fiscal year 2025-2026 shall not lapse and shall carry forward into
18 fiscal year 2026-2027.

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

27 **(5) Center for School Safety:** Included in the above General Fund appropriation is

1 \$15,000,000 in each fiscal year for the Center for School Safety. Notwithstanding KRS 158.446,
2 the Center for School Safety shall allot these moneys for the purposes described in KRS 158.440,
3 158.441, 158.4415, 158.4416, 158.442, 158.445, and 158.446 at both public and private school
4 buildings, campuses, grounds, recreational areas, or athletic fields, except that no more than
5 \$2,000,000 in each fiscal year may be retained for operating and administrative purposes.

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

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

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

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

22 **(9) Redistribution of Resources:** Notwithstanding KRS 156.095, 156.553, 156.555,
23 157.390, 158.070, 158.770, 158.775, 158.805, 161.027, 161.028, 161.030, 161.165, and 161.167,
24 no General Fund is provided for the Professional Development Program, the Commonwealth
25 School Improvement Fund, the Leadership and Mentor Fund, the Middle School Academic
26 Center, the Teacher's Professional Growth Fund, the Teacher Academies Program, the Writing
27 Program, the Kentucky Principal Internship Program, the Kentucky Teacher Internship Program,

1 and the Kentucky Academy for Equity in Teaching in order to increase funding for school-based
2 mental health services providers.

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

- 6 (a) \$1,900,000 in each fiscal year for AdvanceKentucky;
- 7 (b) \$1,850,000 in each fiscal year for the Community Education Program;
- 8 (c) \$3,000,000 in each fiscal year for Dataseam;
- 9 (d) \$23,916,300 in each fiscal year for the Extended School Services Program;
- 10 (e) \$48,889,000 in each fiscal year for the Family Resource and Youth Services Centers
11 Program;
- 12 (f) \$10,000,000 in each fiscal year for the Gifted and Talented Program;
- 13 (g) \$100,000 in each fiscal year for the Hearing and Speech Center;
- 14 (h) \$100,000 in each fiscal year for the Heuser Hearing and Language Academy;
- 15 (i) Notwithstanding KRS 154A.130(4), \$1,675,500 in each fiscal year for the Jobs for
16 America's Graduates Program;
- 17 (j) \$500,000 in each fiscal year for the Kentucky Alliance of Boys & Girls Clubs;
- 18 (k) \$12,500,000 in each fiscal year for the Kentucky Educational Collaborative for State
19 Agency Children;
- 20 (l) \$1,391,000 in each fiscal year for Local School District Life Insurance;
- 21 (m) \$1,000,000 in each fiscal year for Math Nation;
- 22 (n) \$5,019,000 in each fiscal year for the Mathematics Achievement Fund;
- 23 (o) \$84,481,100 in each fiscal year for the Preschool Program;
- 24 (p) \$12,261,100 in each fiscal year for the Read to Achieve Program. Notwithstanding
25 KRS 154A.130(3)(b), included in the above appropriation is \$1,124,500 from lottery proceeds;
- 26 (q) \$11,000,000 in each fiscal year for the Read to Succeed Program;
- 27 (r) \$2,000,000 in each fiscal year for Save the Children;

- 1 (s) \$1,200,000 in each fiscal year for the Statewide Reading Research Center;
- 2 (t) \$700,000 in each fiscal year for Teach for America. Teach for America shall submit a
3 report on the outcomes of the program to the Interim Joint Committee on Education by August 1,
4 2027;
- 5 (u) \$500,000 in each fiscal year for the Visually Impaired Preschool Services Program;
6 and
- 7 (v) \$1,500,000 in each fiscal year for We Lead CS.

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

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

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

20 **(12) School Resource Officers:** Included in the above appropriations is \$11,500,000 in
21 General Fund and \$11,500,000 in Restricted Funds in each fiscal year to assist local school
22 districts and nonpublic schools in funding salaries for school resource officers. The Kentucky
23 Department of Education shall reimburse local school districts and nonpublic schools up to
24 \$20,000 for each full-time certified school resource officer. Notwithstanding KRS 15.430 and
25 15.470, excess Restricted Funds from the Department of Criminal Justice Training shall be
26 transferred to the Kentucky Department of Education for this purpose.

27 **(13) Federal Remedial Education Grants:** It is the intent of the 2026 General Assembly

1 that the Kentucky Department of Education shall apply for all federal grants available for
 2 remedial education.

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

7 **TOTAL - DEPARTMENT OF EDUCATION**

	2026-27	2027-28
9 General Fund	5,122,958,400	5,355,283,400
10 Restricted Funds	40,894,300	49,304,800
11 Federal Funds	1,186,924,900	1,185,718,900
12 TOTAL	6,350,777,600	6,590,307,100

13 **D. EDUCATION AND LABOR CABINET**

14 **Budget Units**

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

	2026-27	2027-28
17 General Fund (Tobacco)	1,063,800	983,200
18 General Fund	13,593,600	13,262,100
19 Restricted Funds	23,082,900	22,889,600
20 Federal Funds	5,641,200	5,675,400
21 TOTAL	43,381,500	42,810,300

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

25 **(2) Heuser Hearing Institute:** Included in the above General Fund appropriation is
 26 \$1,920,000 in fiscal year 2026-2027 and \$1,860,000 in fiscal year 2027-2028 for the Heuser
 27 Hearing Institute to support programs developed to close the education and achievement gaps for

1 deaf and hard-of-hearing adults.

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

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

10 **2. PROPRIETARY EDUCATION**

	2026-27	2027-28
11 Restricted Funds	542,300	547,300

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

	2026-27	2027-28
14 General Fund	1,075,400	1,067,600
15 Restricted Funds	1,360,200	1,326,700
16 TOTAL	2,435,600	2,394,300

18 **4. KENTUCKY EDUCATIONAL TELEVISION**

	2026-27	2027-28
19 General Fund	17,425,000	17,771,600
20 Restricted Funds	2,038,900	2,038,900
21 TOTAL	19,463,900	19,810,500

23 **5. ENVIRONMENTAL EDUCATION COUNCIL**

	2026-27	2027-28
24 Restricted Funds	524,000	521,700
25 Federal Funds	429,800	429,800
26 TOTAL	953,800	951,500

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

3 **6. LIBRARIES AND ARCHIVES**

4 **a. General Operations**

	2026-27	2027-28
6 General Fund	5,959,200	6,389,100
7 Restricted Funds	2,922,300	2,358,800
8 Federal Funds	3,038,300	3,071,000
9 TOTAL	11,919,800	11,818,900

10 **b. Direct Local Aid**

	2026-27	2027-28
12 General Fund	5,574,700	5,574,700
13 Restricted Funds	1,046,900	1,046,900
14 TOTAL	6,621,600	6,621,600

15 **(1) Per Capita Grants:** Notwithstanding KRS 171.201, no General Fund is provided for
 16 nonconstruction state aid.

17 **(2) Public Library Facilities Construction:** Included in the above General Fund
 18 appropriation is \$3,074,700 in each fiscal year for the Public Library Facilities Construction
 19 Fund. Notwithstanding KRS 45.229 and 171.027 to 171.223, any expired debt service payments
 20 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

21 **(3) Dolly Parton's Imagination Library:** Included in the above General Fund
 22 appropriation is \$2,500,000 in each fiscal year for the Imagination Library of Kentucky Program.
 23 The General Assembly hereby directs the Department for Libraries and Archives and the Cabinet
 24 for Health and Family Services to collaborate on researching ways to increase enrollment in
 25 Dolly Parton's Imagination Library Program for children from low-income households and
 26 children living in foster care. The Department for Libraries and Archives and the Cabinet for
 27 Health and Family Services shall submit a joint report detailing their findings, identified

1 strategies, and cost of implementation to the Governor and the Legislative Research Commission
 2 by November 1, 2026.

3 **TOTAL - LIBRARIES AND ARCHIVES**

	2026-27	2027-28
4		
5 General Fund	11,533,900	11,963,800
6 Restricted Funds	3,969,200	3,405,700
7 Federal Funds	3,038,300	3,071,000
8 TOTAL	18,541,400	18,440,500

9 **7. WORKFORCE DEVELOPMENT**

	2026-27	2027-28
10		
11 General Fund	40,226,200	39,771,200
12 Restricted Funds	12,965,600	12,911,900
13 Federal Funds	480,160,800	481,629,200
14 TOTAL	533,352,600	534,312,300

15 **(1) Cafeteria Service Contracts:** No state agency shall enter into any contract with a
 16 nongovernmental entity for the operation of food services provided in the cafeterias located in
 17 the Kentucky Transportation Cabinet office building and/or the Cabinet for Human Resources
 18 office building in Frankfort unless the Office of Vocational Rehabilitation has declined in
 19 writing to provide such services.

20 **(2) Adult Education:** Included in the above General Fund appropriation are sufficient
 21 funds in each fiscal year to support the Office of Adult Education. Notwithstanding KRS 45.229,
 22 the General Fund appropriation for the Office of Adult Education in each fiscal year shall not
 23 lapse and shall carry forward.

24 **(3) Unemployment Insurance System Replacement:** Notwithstanding KRS
 25 341.243(8), the Service Capacity Upgrade Fund may collect up to \$68,000,000 for the purpose of
 26 funding the Replace Unemployment Insurance System project authorized in 2024 Ky. Acts ch.
 27 175, Part II, D., 4., 005. The Office of Unemployment Insurance shall prepare a report detailing

1 the replacement of the unemployment insurance system. The report shall include a description of
 2 how the allocated Restricted Funds are being utilized and a timeline of expected completion and
 3 implementation of a new system. This report shall be submitted to the Interim Joint Committee
 4 on Appropriations and Revenue quarterly, beginning May 1, 2026.

5 **(4) Vocational Rehabilitation:** Included in the above General Fund appropriation is
 6 \$3,500,000 in fiscal year 2026-2027 and \$3,600,000 in fiscal year 2027-2028 for the Office of
 7 Vocational Rehabilitation to support an increase in the match and maintenance of effort
 8 requirement for the Vocational Rehabilitation Grants to States (Basic Support) federal award.

9 **8. WORKPLACE STANDARDS**

	2026-27	2027-28
11 General Fund	1,694,800	1,676,000
12 Restricted Funds	8,448,300	8,357,600
13 Federal Funds	4,200,000	4,291,500
14 TOTAL	14,343,100	14,325,100

15 **(1) Youth Employment Programs:** Included in the above appropriations is sufficient
 16 funding to implement and carry out the provisions of 2024 Ky. Acts ch. 119.

17 **(2) Court-Awarded Expenses:** Included in the above appropriations is sufficient
 18 funding to implement and carry out the provisions of 2025 Ky. Acts ch. 105.

19 **9. WORKERS' CLAIMS**

	2026-27	2027-28
21 Restricted Funds	60,812,900	59,744,500

22 **10. OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION**

	2026-27	2027-28
24 Restricted Funds	780,800	772,100

25 **11. WORKERS' COMPENSATION FUNDING COMMISSION**

	2026-27	2027-28
27 Restricted Funds	88,165,200	86,108,500

1 **12. WORKERS' COMPENSATION NOMINATING COMMITTEE**

	2026-27	2027-28
2		
3 Restricted Funds	1,100	1,100

4 **13. DISABILITY DETERMINATIONS**

	2026-27	2027-28
5		
6 Restricted Funds	823,600	814,300
7 Federal Funds	66,308,700	67,256,300
8 TOTAL	67,132,300	68,070,600

9 **TOTAL - EDUCATION AND LABOR CABINET**

	2026-27	2027-28
10		
11 General Fund (Tobacco)	1,063,800	983,200
12 General Fund	85,548,900	85,512,300
13 Restricted Funds	203,515,000	199,439,900
14 Federal Funds	559,778,800	562,353,200
15 TOTAL	849,906,500	848,288,600

16 **E. ENERGY AND ENVIRONMENT CABINET**

17 **Budget Units**

18 **1. SECRETARY**

	2026-27	2027-28
19		
20 General Fund	4,188,400	4,149,400
21 Restricted Funds	4,882,300	4,821,900
22 Federal Funds	1,330,900	1,361,100
23 TOTAL	10,401,600	10,332,400

24 **2. ADMINISTRATIVE SERVICES**

	2026-27	2027-28
25		
26 General Fund	6,145,600	6,112,100
27 Restricted Funds	6,270,600	6,286,500

1	Federal Funds	3,695,000	3,751,600
2	TOTAL	16,111,200	16,150,200

3 **3. ENVIRONMENTAL PROTECTION**

		2026-27	2027-28
4			
5	General Fund	28,315,000	28,464,200
6	Restricted Funds	84,816,000	82,962,100
7	Federal Funds	39,597,300	40,153,800
8	TOTAL	152,728,300	151,580,100

9 **(1) Public and Private Dam Rehabilitation:** The Department for Environmental
 10 Protection shall submit a report to the Legislative Research Commission, Office of Budget
 11 Review, by September 1, 2027, recommending the priority ranking and funding mechanisms for
 12 rehabilitating public and private high hazard dams within the Commonwealth. The Department
 13 may work collaboratively with the Soil and Water Conservation Commission (KRS 146.110).

14 **(2) Pollutants of Kentucky Waterways:** Included in the above appropriations is
 15 sufficient funding to implement and carry out the provisions of 2024 Ky. Acts ch. 105.

16 **(3) Long-term Post-mining Water Treatment Permits:** Included in the above
 17 appropriations is sufficient funding to implement and carry out the provisions of 2025 Ky. Acts
 18 ch. 119.

19 **4. NATURAL RESOURCES**

		2026-27	2027-28
20			
21	General Fund (Tobacco)	2,659,600	2,457,900
22	General Fund	40,384,500	40,416,000
23	Restricted Funds	24,671,200	23,800,500
24	Federal Funds	176,361,500	176,912,900
25	TOTAL	244,076,800	243,587,300

26 **(1) Emergency Forest Fire Suppression:** Not less than \$2,500,000 of the above
 27 General Fund appropriation in each fiscal year shall be set aside for emergency forest fire

1 suppression. Notwithstanding KRS 45.229, any portion of the \$2,500,000 not expended for
 2 emergency forest fire suppression shall lapse to the Budget Reserve Trust Fund Account (KRS
 3 48.705) at the end of each fiscal year. There is appropriated from the General Fund the necessary
 4 funds, subject to the conditions and procedures provided in this Act, which are required as a
 5 result of emergency fire suppression activities in excess of \$2,500,000 in each fiscal year. Fire
 6 suppression costs in excess of \$2,500,000 annually shall be deemed necessary government
 7 expenses and shall be paid, up to \$4,000,000 in each fiscal year, from the General Fund Surplus
 8 Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

9 **(2) Environmental Stewardship Program:** Included in the above General Fund
 10 (Tobacco) appropriation is \$1,773,100 in fiscal year 2026-2027 and \$1,638,600 in fiscal year
 11 2027-2028 for the Environmental Stewardship Program.

12 **(3) Conservation District Local Aid:** Included in the above General Fund (Tobacco)
 13 appropriation is \$886,500 in fiscal year 2026-2027 and \$819,300 in fiscal year 2027-2028 for the
 14 Division of Conservation to provide direct aid to local conservation districts.

15 **5. ENERGY POLICY**

	2026-27	2027-28
16		
17	1,617,400	1,572,700
18	613,100	607,100
19	62,541,200	62,555,900
20	64,771,700	64,735,700

21 **6. KENTUCKY NATURE PRESERVES**

	2026-27	2027-28
22		
23	1,650,800	1,633,900
24	2,640,900	2,622,900
25	275,100	278,200
26	4,566,800	4,535,000

27 **7. PUBLIC SERVICE COMMISSION**

		2026-27	2027-28
1			
2	General Fund	14,622,900	14,481,000
3	Restricted Funds	2,967,500	2,914,400
4	Federal Funds	1,108,300	1,119,900
5	TOTAL	18,698,700	18,515,300

6 **(1) Siting and Construction of Nuclear Energy Facilities:** Included in the above
7 appropriations is sufficient funding to implement and carry out the provisions of 2024 Ky. Acts
8 ch. 29.

9 **(2) Energy Planning and Inventory Commission:** Included in the above appropriations
10 is sufficient funding to implement and carry out the provisions of 2024 Ky. Acts ch. 172.

11 **(3) Additional Personnel:** Included in the above General Fund appropriation is
12 \$797,500 in fiscal year 2026-2027 and \$822,200 in fiscal year 2027-2028 to support additional
13 personnel and operating expenses.

14 **TOTAL - ENERGY AND ENVIRONMENT CABINET**

		2026-27	2027-28
15			
16	General Fund (Tobacco)	2,659,600	2,457,900
17	General Fund	96,924,600	96,829,300
18	Restricted Funds	126,861,600	124,015,400
19	Federal Funds	284,909,300	286,133,400
20	TOTAL	511,355,100	509,436,000

21 **F. FINANCE AND ADMINISTRATION CABINET**

22 **Budget Units**

23 **1. GENERAL ADMINISTRATION**

		2026-27	2027-28
24			
25	General Fund	9,803,700	13,468,900
26	Restricted Funds	45,074,400	41,161,500
27	TOTAL	54,878,100	54,630,400

1 **(1) Kentucky Affordable Prepaid Tuition Trust Fund:** Included in the above General
 2 Fund appropriation is \$5,100,000 in fiscal year 2026-2027 and \$5,600,000 in fiscal year 2027-
 3 2028 to support projected tuition payments and refunds through fiscal year 2025-2026.

4 **2. CONTROLLER**

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

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

14 **(2) Controller Operations:** Notwithstanding KRS 61.470, included in the above
 15 Restricted Funds appropriations is \$560,000 in fiscal year 2026-2027 and \$140,000 in fiscal year
 16 2027-2028 to support the operations of the Office of the Controller.

17 **3. DEBT SERVICE**

	2026-27	2027-28
18 General Fund (Tobacco)	14,100,200	13,880,800
19 General Fund	596,104,400	816,242,400
20 TOTAL	610,204,600	830,123,200

21 **(1) Kentucky State Police Two-Way Radio Debt Service:** Notwithstanding KRS
 22 150.021(2), the Department of Fish and Wildlife Resources shall transfer \$599,200 in each fiscal
 23 year to the Finance and Administration Cabinet to partially support debt service on the Kentucky
 24 State Police Two-Way Radio System project.

25 **(2) Debt Service:** Included in the above General Fund appropriation is \$42,383,000 in
 26 fiscal year 2026-2027 and \$103,824,000 in fiscal year 2027-2028 for new debt service to support
 27

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

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

5 **(4) Use of Restricted Funds for Debt Service:** Notwithstanding KRS 218B.080(3),
 6 \$12,000,000 in each fiscal year; notwithstanding KRS 286.1-485(3), \$9,000,000 in each fiscal
 7 year; notwithstanding KRS 42.4582, \$6,500,000 in each fiscal year; notwithstanding KRS
 8 243.025(3), \$6,000,000 in each fiscal year; and notwithstanding KRS 14.140, \$5,000,000 in each
 9 fiscal year, are hereby transferred to the Debt Service Fund to be used to pay debt service on
 10 General Fund supported bonds previously issued by the Commonwealth.

11 **4. FACILITIES AND SUPPORT SERVICES**

	2026-27	2027-28
12 General Fund	9,100,200	9,000,500
13 Restricted Funds	57,654,700	57,117,600
14 TOTAL	66,754,900	66,118,100

15
 16 **(1) Capitol Annex Renovation:** Notwithstanding KRS 42.425 and any statute to the
 17 contrary, the administration and management of the Capitol Annex Renovation project
 18 authorized in 2024 Ky. Acts ch. 175, Part II, F., 2., 009. shall be approved by the Director of the
 19 Legislative Research Commission or his designee.

20 **5. COUNTY COSTS**

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

24
 25 **(1) County Costs:** Funds required to pay county costs are appropriated and additional
 26 funds may be allotted from the General Fund Surplus Account (KRS 48.700) or the Budget
 27 Reserve Trust Fund Account (KRS 48.705) by the Secretary of the Finance and Administration

1 Cabinet, subject to the conditions and procedures provided in this Act.

2 **(2) Reimbursement to Sheriffs’ Offices for Court Security Services:** Notwithstanding
 3 KRS 64.092(6), the sheriff or other law enforcement officer serving a Circuit or District Court
 4 shall be compensated at the rate of \$15 per hour of service. To be eligible for this enhanced rate,
 5 deputies providing services must be paid at least \$10 per hour.

6 **6. COMMONWEALTH OFFICE OF TECHNOLOGY**

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

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

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

23 **(3) Security Enhancements:** Included in the above Restricted Funds appropriation is
 24 \$625,800 in fiscal year 2026-2027 and \$1,719,100 in fiscal year 2027-2028 to support security
 25 enhancements in key areas such as email integrity, data classification, directory resilience, and
 26 incident response and training.

27 **(4) Centralized Registry of Artificial Intelligence Systems:** Included in the above

1 appropriations is sufficient funding to implement and carry out the provisions of 2025 Ky. Acts
 2 ch. 66.

3 **7. REVENUE**

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

10 **(1) Operations of Revenue:** Notwithstanding KRS 132.672, 134.552(2), 136.652, and
 11 365.390(2), funds may be expended in support of the operations of the Department of Revenue.

12 **(2) State Enforcement:** Notwithstanding KRS 248.654 and 248.703(4), a total of
 13 \$250,000 of the Tobacco Settlement payments received in each fiscal year is appropriated to the
 14 Finance and Administration Cabinet, Department of Revenue, for the state's diligent enforcement
 15 of noncompliant nonparticipating manufacturers.

16 **8. PROPERTY VALUATION ADMINISTRATORS**

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

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

24 **(2) Salary Increment:** Notwithstanding KRS 132.590(3)(b), the increment provided on
 25 the base salary or wages of each eligible property valuation administrator shall be the same as
 26 that provided for eligible state employees in Part IV of this Act. The placement and advancement
 27 on the proper step of the salary schedule for property valuation administrators as set forth in

1 132.590(2) shall continue to apply. The increment changes should be applied to the salary
 2 schedule for property valuation administrators for the duration of this biennial budget.

3 **(3) Use of Statewide Aerial Mapping System:** Notwithstanding any statute to the
 4 contrary, each Property Valuation Administrator shall utilize the Commonwealth’s statewide
 5 aerial imagery and mapping program, KyFromAbove, as the source for aerial mapping and
 6 imagery services used in the administration of property tax assessment functions. All Property
 7 Valuation Administrators shall transition to use of the statewide system on or before June 30,
 8 2028. The Commonwealth Office of Technology shall ensure coordination, technical assistance,
 9 and implementation support to facilitate compliance with this requirement.

10 **TOTAL - FINANCE AND ADMINISTRATION CABINET**

	2026-27	2027-28
11		
12	General Fund (Tobacco) 14,350,200	14,130,800
13	General Fund 836,868,100	1,063,471,300
14	Restricted Funds 277,937,300	269,724,700
15	Federal Funds 1,766,600	1,766,600
16	TOTAL 1,130,922,200	1,349,093,400

17 **G. HEALTH AND FAMILY SERVICES CABINET**

18 **Budget Units**

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

	2026-27	2027-28
20		
21	General Fund 8,116,000	7,857,600
22	Restricted Funds 80,657,000	79,204,200
23	Federal Funds 68,600,000	69,010,700
24	TOTAL 157,373,000	156,072,500

25 **(1) Human Service Transportation Delivery:** Notwithstanding KRS 281.010(28), the
 26 Kentucky Works Program shall not participate in the Human Service Transportation Delivery
 27 Program or the Coordinated Transportation Advisory Committee.

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

9 **(3) Special Olympics:** Included in the above General Fund appropriation is \$144,000 in
 10 fiscal year 2026-2027 and \$139,500 in fiscal year 2027-2028 to support the operations of Special
 11 Olympics.

12 **(4) Office of Medical Cannabis:** Included in the above Restricted Funds appropriation
 13 is \$7,140,800 in each fiscal year to support the operations of the Office of Medical Cannabis.
 14 The Office may increase fees as necessary to ensure continued operation and functions.

15 **(5) Parkinson’s Disease Registry:** Included in the above appropriations is sufficient
 16 funding to implement and carry out the provisions of 2025 Ky. Acts ch. 85.

17 **2. MEDICAID SERVICES**

18 **a. Medicaid Administration**

	2026-27	2027-28
20 General Fund	82,619,300	74,094,600
21 Restricted Funds	34,129,700	32,706,900
22 Federal Funds	241,290,600	224,326,100
23 TOTAL	358,039,600	331,127,600

24 **(1) Transfer of Excess Administrative Funds for Medicaid Benefits:** If any portion of
 25 the above General Fund appropriation in either fiscal year is deemed to be in excess of the
 26 necessary expenses for administration of the Department for Medicaid Services, the amount may
 27 be used for Medicaid Benefits in accordance with statutes governing the functions and activities

1 of the Department for Medicaid Services. In no instance shall these excess funds be used without
 2 prior written approval of the State Budget Director to:

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

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

8 **(2) H.R. 1 - Community Engagement Program Implementation:** Included in the
 9 above appropriations is \$8,137,900 in General Fund, \$700,000 in Restricted Funds, and
 10 \$26,663,700 in Federal Funds in fiscal year 2026-2027 and \$1,532,900 in General Fund and
 11 \$9,498,700 in Federal Funds in fiscal year 2027-2028 to support implementation of a community
 12 engagement program and other needs as required by House Resolution 1, Pub. L. No. 119-21.
 13 The Cabinet for Health and Family Services shall expend any federal grant funding received to
 14 assist with implementation activities prior to expending the funds appropriated above.

15 **b. Medicaid Benefits**

	2025-26	2026-27	2027-28
17 General Fund	-0-	3,009,535,200	3,014,808,900
18 Restricted Funds	167,183,800	2,322,812,600	2,251,485,200
19 Federal Funds	405,900,000	18,277,466,700	18,253,375,400
20 TOTAL	573,083,800	23,609,814,500	23,519,669,500

21 **(1) Intergovernmental Transfers (IGTs):** Any funds received through an
 22 Intergovernmental Transfer (IGT) agreement between the Department for Medicaid Services and
 23 other governmental entities, in accordance with a federally approved State Plan amendment,
 24 shall be used to provide for the health and welfare of the citizens of the Commonwealth through
 25 the provision of Medicaid Benefits. Revenues from IGTs are contingent upon agreement by the
 26 parties, including but not limited to the Cabinet for Health and Family Services, Department for
 27 Medicaid Services, and the appropriate government entity. The Secretary of the Cabinet for

1 Health and Family Services shall make the appropriate interim appropriations increase requests
2 pursuant to KRS 48.630.

3 **(2) Medicaid Benefits Budget Deficit:** If Medicaid Benefits expenditures are projected
4 to exceed available funds, the Secretary of the Cabinet for Health and Family Services may
5 recommend and implement that reimbursement rates, optional services, eligibles, or programs be
6 reduced or maintained at levels existing at the time of the projected deficit in order to avoid a
7 budget deficit. The projected deficit shall be confirmed and approved by the Office of State
8 Budget Director. No rate, service, eligible, or program reductions shall be implemented by the
9 Cabinet for Health and Family Services without prior written notice of such action to the Interim
10 Joint Committee on Appropriations and Revenue and the State Budget Director. Such actions
11 taken by the Cabinet for Health and Family Services shall be reported, upon request, at the next
12 meeting of the Interim Joint Committee on Appropriations and Revenue.

13 **(3) Disproportionate Share Hospital (DSH) Program:** Hospitals shall report the
14 uncompensated care for which, under federal law, the hospital is eligible to receive
15 disproportionate share payments. Disproportionate share payments shall equal the maximum
16 amounts established under federal law. The Department for Medicaid Services shall compile for
17 each fiscal year a report on the total amount of disproportionate share payments made to
18 hospitals. The report shall identify the hospital receiving the DSH payment, the amount of the
19 payment, and the fund source of the payment. The report shall be submitted to the Interim Joint
20 Committee on Appropriations and Revenue and the Medicaid Oversight and Advisory Board by
21 November 15 of each fiscal year.

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

25 **(5) Provider Tax Information:** Any provider who posts a sign or includes information
26 on customer receipts or any material distributed for public consumption indicating that it has
27 paid provider tax shall also post, in the same size typeset as the provider tax information, the

1 amount of payment received from the Department for Medicaid Services during the same period
2 the provider tax was paid. Providers who fail to meet this requirement shall be excluded from the
3 Disproportionate Share Hospital and Medicaid Programs. The Cabinet for Health and Family
4 Services shall include this provision in facilities' annual licensure inspections.

5 **(6) Critical Access Hospitals:** Beginning on the effective date of this Act through June
6 30, 2028, no acute care hospital shall convert to a critical access hospital unless the hospital has
7 either received funding for a feasibility study from the Kentucky Office of Rural Health or filed a
8 written request by January 1, 2026, with the Kentucky Office of Rural Health requesting funding
9 for conducting a feasibility study.

10 **(7) Appeals:** An appeal from denial of a service or services provided by a Medicaid
11 managed care organization for medical necessity, or denial, limitation, or termination of a health
12 care service in a case involving a medical or surgical specialty or subspecialty, shall, upon
13 request of the recipient, authorized person, or provider, include a review by a board-eligible or
14 board-certified physician in the appropriate specialty or subspecialty area; except in the case of a
15 health care service rendered by a chiropractor or optometrist, for which the denial shall be made
16 respectively by a chiropractor or optometrist duly licensed in Kentucky as specified in KRS
17 304.17A-607(1)(b). The physician reviewer shall not have participated in the initial review and
18 denial of service and shall not be the provider of the service or services under consideration in
19 the appeal.

20 **(8) Medicaid Prescription Benefits Reporting:** Notwithstanding KRS 205.647, the
21 Department for Medicaid Services shall submit a report to the Interim Joint Committee on
22 Appropriations and Revenue and the Medicaid Oversight and Advisory Board by October 31 of
23 each fiscal year on the dispensing of prescription medications to persons eligible under KRS
24 205.560. The report shall include:

25 (a) The total Medicaid dollars paid to the state pharmacy benefit manager by a managed
26 care organization;

27 (b) The total amount of Medicaid dollars paid to the state pharmacy benefit manager by a

1 managed care organization which were not subsequently paid to a pharmacy licensed in
2 Kentucky;

3 (c) The average reimbursement by drug ingredient cost, dispensing fee, and any other fee
4 paid by the state pharmacy benefit manager to licensed pharmacies with which the state
5 pharmacy benefit manager shares common ownership, management, or control; or which are
6 owned, managed, or controlled by any of the state pharmacy benefit manager's management
7 companies, parent companies, subsidiary companies, jointly held companies, or companies
8 otherwise affiliated by a common owner, manager, or holding company; or which share any
9 common members on the board of directors; or which share managers in common;

10 (d) The average reimbursement by drug ingredient cost, dispensing fee, or any other fee
11 paid by the state pharmacy benefit manager to pharmacies licensed in Kentucky which operate
12 10 locations, 10 or fewer locations, or 10 or more locations; and

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

26 (9) **Kentucky Access Fund:** Notwithstanding KRS 304.17B-021, funds are transferred
27 from this source to Medicaid Benefits in each fiscal year.

1 **(10) Michelle P. Waiver Slots:** Included in the above appropriations is \$1,064,700 in
2 General Fund and \$2,484,300 in Federal Funds in fiscal year 2026-2027 to support 65 additional
3 slots and \$1,801,800 in General Fund and \$4,204,200 in Federal Funds in fiscal year 2027-2028
4 to support 45 additional slots for a total of 110 slots over the 2026-2028 fiscal biennium.

5 **(11) Supports for Community Living Waiver Slots:** Included in the above
6 appropriations is \$3,091,500 in General Fund and \$7,213,500 in Federal Funds in fiscal year
7 2026-2027 to support 90 additional slots and \$4,637,300 in General Fund and \$10,820,300 in
8 Federal Funds in fiscal year 2027-2028 to support 45 additional slots for a total of 135 slots over
9 the 2026-2028 fiscal biennium.

10 **(12) Home and Community Based Waiver Slots:** Included in the above appropriations
11 is \$1,404,200 in General Fund and \$3,276,400 in Federal Funds in fiscal year 2026-2027 to
12 support 115 additional slots and \$1,953,600 in General Fund and \$4,558,400 in Federal Funds in
13 fiscal year 2027-2028 to support 45 additional slots for a total of 160 slots over the 2026-2028
14 fiscal biennium.

15 **(13) Medicaid Benefits Program Support:** Included in the above appropriation is
16 \$55,983,800 in Restricted Funds in fiscal year 2025-2026 to support program needs.

17 **(14) Certified Community Behavioral Health Clinics (CCBHC):** Included in the above
18 General Fund appropriation is \$2,441,400 in fiscal year 2027-2028 to maintain services at the
19 existing clinics participating in the CCBHC demonstration program, of this amount \$1,000,000
20 is a one-time allocation.

21 **(15) Pharmacist Payment Parity:** Included in the above General Fund appropriation is
22 \$128,100 in fiscal year 2026-2027 to support the costs of administrative activities, including
23 creation of a new pharmacist provider type for implementation of pharmacist payment parity in
24 the Kentucky Medicaid and the Kentucky Children's Health Insurance Programs.
25 Reimbursement for clinical services performed by pharmacists within their scope of practice
26 shall be paid at a rate no less than the rate paid to other nonphysician practitioners for the
27 delivery of similar services. The Department for Medicaid Services shall submit a report on the

1 implementation of pharmacist payment parity within the Medicaid Program including a timeline
2 of activities, expenditures related to any required system updates and other administrative
3 activities undertaken, and expenditures associated with coverage of pharmacists' services by
4 fund source by November 1 of each fiscal year to the Interim Joint Committee on Appropriations
5 and Revenue.

6 **(16) MCO Payments:** The Department for Medicaid Services or the Finance and
7 Administration Cabinet shall make 12 monthly payments in each fiscal year to Medicaid
8 managed care vendors contracted to provide services for the Medicaid program. All payments
9 due during a fiscal year shall be issued within that same fiscal year and shall not be deferred,
10 delayed, or transferred to a subsequent fiscal year.

11 **(17) Medicaid Service Reductions:** If it is deemed necessary to make reductions in
12 Medicaid services, a priority shall be made to reduce services not expressly authorized by the
13 General Assembly.

14 **(18) Substance Use Disorder Programs:** Included in the above appropriations is
15 sufficient funding to implement and carry out the provisions of 2024 Ky. Acts ch. 68.

16 **(19) Behavioral and Mental Health Services:** Included in the above appropriations is
17 sufficient funding to implement and carry out the provisions of 2025 Ky. Acts ch. 107.

18 **(20) Medicaid Managed Care Organization Contracts:** Included in the above
19 appropriations is sufficient funding to implement and carry out the provisions of 2025 Ky. Acts
20 ch. 110.

21 **(21) MCO Payments Reduction:** Notwithstanding any statute to the contrary, the
22 Department for Medicaid Services or the Finance and Administration Cabinet shall effectuate a
23 2.50 percent reduction in payments in Plan Year 2028 to Medicaid managed care vendors
24 contracted to provide services for the Medicaid Program. No reduction shall be made in provider
25 reimbursement rates. Any savings realized from the reduction in MCO payments shall be used to
26 increase reimbursement rates for services provided to Medicaid fee-for-service (FFS)
27 beneficiaries. All state directed payment programs approved by the Centers for Medicare and

1 Medicaid Services (CMS) pursuant to 42 C.F.R. sec. 438.6 shall be excluded from the above
2 payment reduction.

3 **(22) Community Intervener Services:** The Department for Medicaid Services shall
4 promulgate any necessary administrative regulations or amend existing waiver service
5 definitions or policy to facilitate access to intervener services for deaf-blind participants within
6 the Michelle P. waiver program. These services shall be designed to support the independence
7 and community integration of eligible participants.

8 **(23) Appalachian Regional Hospital:** Included in the above appropriations is
9 \$14,600,000 in General Fund, \$6,800,000 in Restricted Funds, and \$85,000,000 in Federal Funds
10 in each fiscal year to support contracted psychiatric services provided within Hospital District IV
11 under KRS 210.300 and the Kentucky Community Access and Rural Engagement (KCARE)
12 managed care incentive program operated by the Appalachian Regional Hospital as authorized
13 under 42 C.F.R. sec. 438.6(b)(2). The Department for Medicaid Services shall seek federal
14 approval of the KCARE program by the earlier of its next managed care contract submission to
15 the Centers for Medicare and Medicaid Services (CMS) or within 90 days upon enactment of this
16 legislation. The Department shall specify a contract effective date of July 1, 2026, when
17 submitting the application for federal approval of the KCARE Program. The General Assembly
18 encourages the Appalachian Regional Hospital KCARE Program to collaborate to the fullest
19 extent possible with other mental health providers in the region as it endeavors to expand and
20 improve access to the behavioral health system of eastern Kentucky.

21 **(24) Medicaid State Directed Payments Program:** Included in the above appropriations
22 is an additional \$76,500,000 in Restricted Funds and \$305,900,000 in Federal Funds in fiscal
23 year 2025-2026, \$153,000,000 in Restricted Funds and \$611,700,000 in Federal Funds in fiscal
24 year 2026-2027 and \$145,300,000 in Restricted Funds and \$581,000,000 in Federal Funds in
25 fiscal year 2027-2028 to support Medicaid state directed payments.

26 **(25) Dental Services Reimbursement Rebasing Efforts:** The General Assembly
27 recognizes the importance of oral health in ensuring an individual's overall wellbeing and the

1 need to address current reimbursement rates for dental services in the Kentucky Medicaid
2 Program. Notwithstanding KRS 304.2-400(2), included in the above Restricted Funds
3 appropriation is \$8,000,000 in each fiscal year and included in the above Federal Funds
4 appropriation is \$31,600,000 in each fiscal year to support an increase in reimbursement rates for
5 dental services provided to Medicaid eligible individuals. The Technical Advisory Committee on
6 Dental Care, authorized pursuant to KRS 205.590(1)(c), shall provide recommendations to the
7 Cabinet for Health and Family Services regarding the dental procedures to be given priority for
8 increased Medicaid reimbursement rates.

9 **(26) Hospital-Based Ventilator Dependent Facilities:** Included in the above
10 appropriations is an additional \$2,700,000 in General Fund and \$6,300,000 in Federal Funds in
11 each fiscal year to support an increase in the all-inclusive daily payment rate for hospital-based
12 ventilator dependent facilities that operate a distinct part ventilator unit with more than 100 beds
13 and a dedicated pediatric unit with 12 or more beds. It is the intent of the 2026 General
14 Assembly that these funds be used to increase the all-inclusive daily payment rate from \$982 to
15 \$1,220, effective January 1, 2026. Reimbursement for drugs shall be established pursuant to 907
16 KAR Chapter 23 and shall not be included in calculation of the all-inclusive daily payment rate.
17 The Department for Medicaid Services shall amend 907 KAR 1:025(6) and seek any necessary
18 federal approval to implement this rate increase.

19 **(27) Medicaid Cost Settlements:** Included in the above appropriations is an additional
20 \$28,700,000 in Restricted Funds and \$86,000,000 in Federal Funds in fiscal year 2025-2026 to
21 support Medicaid cost settlements related to the Department for Community Based Services and
22 the Department for Behavioral Health, Developmental and Intellectual Disabilities within the
23 Cabinet for Health and Family Services.

24 **(28) Medicaid DSH Payments:** Included in the above appropriations is an additional
25 \$6,000,000 in Restricted Funds and \$14,000,000 in Federal Funds in fiscal year 2025-2026,
26 \$3,000,000 in Restricted Funds and \$4,000,000 in Federal Funds in fiscal year 2026-2027, and
27 \$3,000,000 in Restricted Funds and \$4,000,000 in Federal Funds in fiscal year 2027-2028 to

1 support Medicaid DSH payments related to the Department for Behavioral Health,
 2 Developmental and Intellectual Disabilities within the Cabinet for Health and Family Services.

3 **TOTAL - MEDICAID SERVICES**

	2025-26	2026-27	2027-28
4 General Fund	-0-	3,092,154,500	3,088,903,500
6 Restricted Funds	167,183,800	2,356,942,300	2,284,192,100
7 Federal Funds	405,900,000	18,518,757,300	18,477,701,500
8 TOTAL	573,083,800	23,967,854,100	23,850,797,100

9 **3. BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL**
 10 **DISABILITIES**

	2026-27	2027-28
11 General Fund (Tobacco)	1,152,500	1,065,100
13 General Fund	191,048,300	189,372,200
14 Restricted Funds	268,266,000	269,350,900
15 Federal Funds	98,751,200	98,921,400
16 TOTAL	559,218,000	558,709,600

17 **(1) Disproportionate Share Hospital Funds:** Pursuant to KRS 205.640(3)(a)2., mental
 18 health disproportionate share funds are budgeted at the maximum amounts permitted by Section
 19 1923(h) of the Social Security Act. Upon publication in the Federal Register of the Annual
 20 Institutions for Mental Disease (IMD) Disproportionate Share Hospital (DSH) limit, 92.3 percent
 21 of the federal IMD DSH limit goes to the state-operated mental hospitals. If there are remaining
 22 funds within the psychiatric pool after all private psychiatric hospitals reach their hospital-
 23 specific DSH limit, state mental hospitals may exceed the 92.3 percent limit but may not exceed
 24 their hospital-specific DSH limit.

25 **(2) Lease Payments for Eastern State Hospital:** Included in the above General Fund
 26 appropriation is \$9,807,300 in fiscal year 2026-2027 and \$9,808,000 in fiscal year 2027-2028 to
 27 make lease payments to the Lexington-Fayette Urban County Government to retire its debt for

1 the construction of the new facility.

2 **(3) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
3 appropriation is \$1,152,500 in fiscal year 2026-2027 and \$1,065,100 in fiscal year 2027-2028 for
4 substance abuse prevention and treatment for pregnant women with a history of substance abuse
5 problems.

6 **(4) Substance Abuse Funding Report:** The Department for Behavioral Health,
7 Developmental and Intellectual Disabilities shall compile for each fiscal year a report on the
8 funding received by the Cabinet for Health and Family Services to provide substance abuse
9 prevention, treatment, and recovery services in the Commonwealth. The report shall include the
10 amount, source, and duration of the funding, the purpose of the funding, the number of
11 individuals served, and any available information on outcomes demonstrated as a result of the
12 funding provided for substance abuse prevention, treatment, and recovery services. The report
13 shall be submitted to the Legislative Research Commission, Office of Budget Review, by
14 September 1 of each fiscal year.

15 **(5) The Healing Place:** Included in the above General Fund appropriation is \$1,440,000
16 in fiscal year 2026-2027 and \$1,395,000 in fiscal year 2027-2028 to support direct services to
17 clients provided by The Healing Place.

18 **(6) Residential Facilities Services:** Included in the above General Fund appropriation is
19 \$20,000,000 in each fiscal year to support increased costs related to staffing and an increased
20 patient census in state run psychiatric and ICF/ID facilities.

21 **(7) Lee Specialty Clinic:** Included in the above General Fund appropriation is \$720,000
22 in fiscal year 2026-2027 and \$697,500 in fiscal year 2027-2028 to support specialty medical
23 services for individuals with moderate developmental and intellectual disabilities living in
24 residential and community settings.

25 **(8) Barren River Area Development District:** Notwithstanding KRS 45.229, any
26 unexpended funds authorized in 2024 Ky. Acts ch. 173, sec. 1, (187) to establish a regional
27 substance use disorder services pilot program shall not lapse and shall carry forward.

1 **4. PUBLIC HEALTH**

	2026-27	2027-28
3 General Fund (Tobacco)	9,379,700	8,668,100
4 General Fund	84,190,200	83,154,700
5 Restricted Funds	148,707,500	152,411,600
6 Federal Funds	510,150,900	499,317,300
7 TOTAL	752,428,300	743,551,700

8 **(1) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
 9 appropriation is \$5,301,500 in fiscal year 2026-2027 and \$4,899,400 in fiscal year 2027-2028 for
 10 the Health Access Nurturing Development Services (HANDS) Program, \$620,600 in fiscal year
 11 2026-2027 and \$573,500 in fiscal year 2027-2028 for the Healthy Start Initiatives, \$620,600 in
 12 fiscal year 2026-2027 and \$573,500 in fiscal year 2027-2028 for Early Childhood Mental Health,
 13 \$620,600 in fiscal year 2026-2027 for Early Childhood Oral Health, \$443,300 in fiscal year
 14 2026-2027 and \$983,100 in fiscal year 2027-2028 for the Lung Cancer Screening Program, and
 15 \$1,773,100 in fiscal year 2026-2027 and \$1,638,600 in fiscal year 2027-2028 for Smoking
 16 Cessation. Included in the above Restricted Funds appropriation is \$573,500 in fiscal year 2027-
 17 2028 from interest income from the Kentucky Healthcare Improvement Fund for Early
 18 Childhood Oral Health.

19 **(2) Local and District Health Department Fees:** Notwithstanding KRS 211.170 and
 20 211.186, local and district health departments shall retain 90 percent of the fees collected for
 21 delivering foundational public health program services to fund the costs of operations, services,
 22 and the employer contributions for the Kentucky Employees Retirement System.

23 **(3) Kentucky Pediatric Cancer Research Trust Fund:** Included in the above General
 24 Fund appropriation is \$5,000,000 in each fiscal year to the Kentucky Pediatric Cancer Research
 25 Trust Fund for general pediatric cancer research and support of expansion of clinical trials at the
 26 University of Kentucky and the University of Louisville.

27 **(4) Lung Cancer Screening MCO:** Each Medicaid Managed Care Organization that has

1 a participating contract with the Commonwealth for the next contract renewal cycle shall provide
2 services for lung cancer screenings, which may include genetic prescreen testing.

3 **(5) Area Health Education Centers:** Included in the above General Fund appropriation
4 is \$2,400,000 in fiscal year 2026-2027 and \$2,325,000 in fiscal year 2027-2028 to support the
5 operations of the Commonwealth's eight regional Area Health Education Centers.

6 **(6) Rural Health Transformation Fund:** Included in the above Federal Funds
7 appropriation is \$212,905,600 in each fiscal year from the Rural Health Transformation Fund.
8 The Cabinet for Health and Family Services shall prepare a report, including but not limited to
9 expenditures from the Rural Health Transformation Fund, a description of the activities and
10 methods being implemented within each identified area of focus, a list delineating subrecipients
11 of grant funds, and any entities being contracted to perform services. The Cabinet shall submit
12 this report on a quarterly basis to the Medicaid Oversight and Advisory Board beginning
13 November 1, 2026.

14 **(7) Kentucky Poison Control Center:** Included in the above General Fund
15 appropriation is \$1,000,000 in each fiscal year to support the Kentucky Poison Control Center.

16 **(8) Kentucky Colon Cancer Screening Program:** Included in the above General Fund
17 appropriation is \$480,000 in fiscal year 2026-2027 and \$465,000 in fiscal year 2027-2028 to
18 support the Kentucky Colon Cancer Screening Program.

19 **(9) Vital Statistics:** Included in the above Restricted Funds appropriation is \$1,640,800
20 in each fiscal year to support increased operating costs within the Office of Vital Statistics.

21 **(10) Drug and Supplement Testing:** Included in the above Restricted Funds
22 appropriation is \$2,000,000 in fiscal year 2026-2027 and \$2,750,000 in fiscal year 2027-2028 to
23 support mandated medical marijuana and edible analysis and testing.

24 **(11) Ryan White Program:** Included in the above Restricted Funds appropriation is
25 \$4,000,000 in fiscal year 2026-2027 and \$6,000,000 in fiscal year 2027-2028 to support
26 participation growth in the Ryan White Program and to address increased medication costs.

27 **5. FAMILY RESOURCE CENTERS AND VOLUNTEER SERVICES**

	2026-27	2027-28
1		
2 General Fund	26,617,200	26,660,700
3 Federal Funds	12,568,000	12,577,800
4 TOTAL	39,185,200	39,238,500

5 **(1) Family Resource and Youth Services Centers Funds:** No more than two percent of
6 the total funds transferred from the Department of Education to the Family Resource and Youth
7 Services Centers, as consistent with KRS 156.496, shall be used for administrative purposes in
8 each fiscal year.

9 **6. COMMUNITY BASED SERVICES**

	2026-27	2027-28
10		
11 General Fund (Tobacco)	10,195,200	9,421,900
12 General Fund	746,196,400	751,284,800
13 Restricted Funds	187,229,700	182,967,400
14 Federal Funds	935,267,400	922,672,800
15 TOTAL	1,878,888,700	1,866,346,900

16 **(1) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
17 appropriation is \$8,422,100 in fiscal year 2026-2027 and \$7,783,300 in fiscal year 2027-2028 for
18 the Early Childhood Development Program and \$1,773,100 in fiscal year 2026-2027 and
19 \$1,638,600 in fiscal year 2027-2028 for the Early Childhood Adoption and Foster Care Supports
20 Program.

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

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

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

12 **(5) Personal Care Homes:** Included in the above General Fund appropriation is
13 \$12,000,000 in each fiscal year to support reimbursements provided to personal care homes.

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

20 **(7) Victims Advocacy Programs:** Included in the above General Fund appropriation is
21 \$10,557,700 in each fiscal year for the Children's Advocacy Centers, \$13,912,700 in each fiscal
22 year for the Domestic Violence Shelters, and \$7,776,100 in each fiscal year for the Rape Crisis
23 Centers to support operational costs.

24 **(8) Employee Child Care Assistance Partnership:** Included in the above General Fund
25 appropriation is \$1,000,000 in each fiscal year to support the Employee Child Care Assistance
26 Partnership for matching contributions. There shall be a two percent cap on administrative costs
27 for the oversight of this program. Notwithstanding KRS 45.229, any General Fund amounts

1 appropriated for matching contributions in fiscal year 2025-2026 and fiscal year 2026-2027 shall
2 not lapse and shall carry forward.

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

6 **(10) Family Scholar House:** Included in the above General Fund appropriation is
7 \$960,000 in fiscal year 2026-2027 and \$930,000 in fiscal year 2027-2028 to support the
8 operations of the Family Scholar House.

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

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

14 **(13) Child Care Assistance Program (CCAP) Initiatives:** Included in the above General
15 Fund appropriation is \$18,680,000 in fiscal year 2026-2027 and \$18,065,000 in fiscal year 2027-
16 2028 to support the CCAP initiative.

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

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

20 (b) \$1,440,000 in General Fund in fiscal year 2026-2027 and \$1,395,000 in fiscal year
21 2027-2028 to support a six-month transition for families no longer eligible for CCAP benefits.

22 **(14) Early Childhood Development Scholarship Program:** Included in the above
23 General Fund appropriation is \$2,400,000 in fiscal year 2026-2027 and \$2,325,000 in fiscal year
24 2027-2028 to support the Early Childhood Development Scholarship Program.

25 **(15) Supplemental Nutrition Assistance Program (SNAP) Administration:** Included in
26 the above General Fund appropriation is \$43,500,000 in fiscal year 2026-2027 and \$58,000,000
27 in fiscal year 2027-2028 to support the increased state share of SNAP administrative cost

1 responsibility from 50 percent to 75 percent, as required by H.R. 1 of the 119th Congress.

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

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

6 **(18) Relative and Fictive Kin Caregivers:** Included in the above General Fund
7 appropriation is \$6,000,000 in each fiscal year to provide sufficient funding for the maintenance
8 of effort necessary to maximize available federal funds to implement the provisions of 2024 Ky.
9 Acts ch. 85. Federal funds shall include but are not limited to funds available through foster care
10 maintenance payments in Title IV-E of the Social Security Act and the Temporary Assistance for
11 Needy Families block grant under Title IV-A of the Social Security Act.

12 Pursuant to KRS 620.142(4), the custodial, permanency, and service options provided to
13 relative and fictive caregivers shall reflect nationally recognized best practices. The Cabinet for
14 Health and Family Services shall include Title IV-E compliant provisional licensing for relatives
15 and fictive kin through revised administrative regulation (922 KAR) in order to maximize federal
16 funding available for relative or fictive kin foster parent payments. Such provisional licensing
17 shall include provisional approval within five days of placement, immediate satisfaction of all
18 federal safety requirements, a 120-day window to complete non-safety requirements (training,
19 home study), and a provisional approval process to qualify these homes for Title IV-E foster care
20 maintenance payment purposes.

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

1 Cabinet, the relative or fictive kin caregiver shall pursue foster parent approval.

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

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

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

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

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

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

25 **(21) Out of Home Care:** Included in the above Restricted Funds appropriation is
26 \$22,000,000 in each fiscal year from the Out of Home Care Replacement Fund to maintain
27 existing support for foster care and kinship care programs to enhance specialized services for

1 children with exceptional needs to assist in identifying and securing supportive placements. The
 2 Department of Community Based Services shall utilize federal funds from the Temporary
 3 Assistance for Needy Families block grant to the fullest extent possible and shall expend any
 4 additional available reserves before expending the Restricted Funds from the Out of Home Care
 5 Replacement Fund. The Department shall submit a quarterly report detailing the expenditures
 6 and fund sources for all out of home care services beginning November 1, 2026, to the Interim
 7 Joint Committee on Appropriations and Revenue.

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

12 **(23) Sunrise Children’s Services:** Included in the above General Fund appropriation is
 13 \$2,200 in fiscal year 2026-2027 to reimburse the Sunrise Children’s Services Independent Living
 14 Program for providing therapeutic services to youth in state custody.

15 **(24) Youth Villages Intercept Program:** Included in the above appropriations is
 16 \$6,378,600 in General Fund and \$6,396,400 in Federal Funds in fiscal year 2026-2027 and
 17 \$7,792,300 in General Fund and \$8,997,700 in Federal Funds in fiscal year 2027-2028 for the
 18 Youth Villages Intercept Program.

19 **7. AGING AND INDEPENDENT LIVING**

	2026-27	2027-28
21 General Fund	49,046,900	47,865,500
22 Restricted Funds	4,069,800	4,030,300
23 Federal Funds	38,575,700	38,625,600
24 TOTAL	91,692,400	90,521,400

25 **(1) Local Match Requirements:** Notwithstanding KRS 205.460, entities contracting
 26 with the Cabinet for Health and Family Services to provide essential services under KRS
 27 205.455 and 205.460 shall provide local match equal to or greater than the amount in effect

1 during fiscal year 2025-2026. Local match may include any combination of materials,
 2 commodities, transportation, office space, personal services, or other types of facility services or
 3 funds. The Secretary of the Cabinet for Health and Family Services shall prescribe the
 4 procedures to certify the local match compliance.

5 **(2) Hart-Supported Living Program:** Included in the above General Fund
 6 appropriation is \$6,288,100 in each fiscal year to support the Hart-Supported Living Program.

7 **TOTAL - HEALTH AND FAMILY SERVICES CABINET**

	2025-26	2026-27	2027-28
8 General Fund (Tobacco)	-0-	20,727,400	19,155,100
9 General Fund	-0-	4,197,369,500	4,195,099,000
10 Restricted Funds	167,183,800	3,045,872,300	2,972,156,500
11 Federal Funds	405,900,000	20,182,670,500	20,118,827,100
12 TOTAL	573,083,800	27,446,639,700	27,305,237,700

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

15 **Budget Units**

16 **1. JUSTICE ADMINISTRATION**

	2026-27	2027-28
17 General Fund (Tobacco)	2,881,200	2,662,700
18 General Fund	44,784,200	45,448,000
19 Restricted Funds	3,241,300	2,998,900
20 Federal Funds	34,895,200	34,883,700
21 TOTAL	85,801,900	85,993,300

23 **(1) Operation UNITE:** (a) Included in the above General Fund appropriation is
 24 \$1,440,000 in fiscal year 2026-2027 and \$1,395,000 in fiscal year 2027-2028 for the Operation
 25 UNITE Program.

26 (b) For the periods ending June 30, 2026, and June 30, 2027, the Secretary of the Justice
 27 and Public Safety Cabinet, in coordination with the Chief Executive Officer of Operation

1 UNITE, shall prepare reports detailing for what purpose and function the funds were utilized.
2 The reports shall be submitted to the Interim Joint Committee on Appropriations and Revenue by
3 September 1 of each fiscal year.

4 **(2) Office of Drug Control Policy:** Included in the above General Fund (Tobacco)
5 appropriation is \$2,659,600 in fiscal year 2026-2027 and \$2,457,900 in fiscal year 2027-2028 for
6 the Office of Drug Control Policy.

7 **(3) Court-Appointed Special Advocate Funding:** Included in the above General Fund
8 appropriation is \$3,000,000 in each fiscal year for grants to support Court-Appointed Special
9 Advocate (CASA) funding programs. No administrative costs shall be paid from this
10 appropriation.

11 **(4) Restorative Justice:** Included in the above General Fund (Tobacco) appropriation is
12 \$221,600 in fiscal year 2026-2027 and \$204,800 in fiscal year 2027-2028 to support the
13 Restorative Justice Program administered by the Volunteers of America.

14 **(5) Northern Kentucky Regional Medical Examiner's Office:** Notwithstanding KRS
15 45.229, any unexpended funds from the \$1,800,000 authorized in 2022 Ky. Acts ch. 199, Part I,
16 H., 1., (11) to reestablish the Northern Kentucky Regional Medical Examiners Office shall not
17 lapse and shall carry forward.

18 **(6) Substance Abuse Treatment Programs:** The Secretary of the Justice and Public
19 Safety Cabinet shall compile for each fiscal year a report on funding received by the Cabinet to
20 provide substance abuse treatment, prevention, and recovery programs in the Commonwealth.
21 The report shall include the amount, source, and duration of the funding, the purpose of the
22 funding, the number of individuals served, and any available information on program outcomes.
23 The Secretary shall submit the report to the Interim Joint Committee on Appropriations and
24 Revenue by September 1 of each year.

25 **(7) Rocket Docket Program:** Notwithstanding KRS 196.288(5)(b)8., included in the
26 above General Fund appropriation is \$1,940,000 in fiscal year 2026-2027 and \$1,860,000 in
27 fiscal year 2027-2028, which shall be allocated annually in quarterly payments, to support the

1 Rocket Docket Program at the Prosecutors Advisory Council.

2 (8) **Northern Kentucky Medical Examiner's Office:** Included in the above General
3 Fund appropriation is \$1,618,700 in fiscal year 2027-2028 to support the staffing of the Northern
4 Kentucky Medical Examiner's Office.

5 **2. CRIMINAL JUSTICE TRAINING**

	2026-27	2027-28
6 Restricted Funds	140,458,200	129,117,900

7
8 (1) **Kentucky Law Enforcement Foundation Program Fund:** Included in the above
9 Restricted Funds appropriation is \$136,842,500 in fiscal year 2026-2027 and \$141,362,800 in
10 fiscal year 2027-2028 for the Kentucky Law Enforcement Foundation Program Fund.

11 (2) **Training Incentive Payments:** Notwithstanding KRS 15.460(1) and
12 15.420(2)(a)1.a., included in the above Restricted Funds appropriation is \$4,653 in fiscal year
13 2026-2027 and \$4,746 in fiscal year 2027-2028 for each full-time participant for training
14 incentive payments, and \$2,327 in fiscal year 2026-2027 and \$2,373 in fiscal year 2027-2028 for
15 each part-time participant for training incentive payments. KRS 15.460(1)(b) to (f) shall remain
16 applicable, except that the administrative expense reimbursement cap under KRS 15.460(1)(c)3.
17 shall not exceed \$1,000,000.

18 (3) **Administrative Reimbursement:** Notwithstanding KRS 15.450(3), the Department
19 of Criminal Justice Training shall not receive reimbursement for the salaries and other costs of
20 administering the fund, to include the Kentucky Law Enforcement Council operations and
21 expenses, Peace Officers Professional Standards Office, attorney positions in Justice
22 Administration, the Professional Development and Wellness Branch, Office of the State School
23 Security Marshal, Office of Kentucky Law Enforcement Council Support, debt service, capital
24 outlay, and Department personnel costs and expenses in excess of \$42,551,900 in fiscal year
25 2026-2027 and \$43,000,700 in fiscal year 2027-2028. The Department shall submit a report
26 detailing reimbursed expenditures for the prior fiscal year to the Interim Joint Committee on
27 Appropriations and Revenue by August 1 of each fiscal year.

1 **(4) Criminal Justice Council:** Pursuant to KRS 15.410 to 15.518, the Department of
 2 Criminal Justice Training shall not transfer funds from the Kentucky Law Enforcement
 3 Foundation Program Fund to support the Criminal Justice Council.

4 **(5) Kentucky Law Enforcement Council Funding:** Notwithstanding KRS 15.450 and
 5 any other statute to the contrary, funding to support the operations of the Kentucky Law
 6 Enforcement Council shall not exceed \$622,900 in fiscal year 2026-2027 and \$603,500 in fiscal
 7 year 2027-2028.

8 **(6) Operating Cost Increases:** Included in the above Restricted Funds appropriation is
 9 \$864,100 in fiscal year 2026-2027 and \$764,100 in fiscal year 2027-2028 to support various
 10 operating cost increases.

11 **(7) Additional Staff:** Included in the above Restricted Funds appropriation is \$106,100
 12 in fiscal year 2026-2027 and \$110,900 in fiscal year 2027-2028 for additional staff.

13 **(8) Middletown Firing Range:** Included in the above Restricted Funds appropriation is
 14 \$15,000,000 in fiscal year 2026-2027 and \$10,000,000 in fiscal year 2027-2028 to be paid to the
 15 city of Middletown to construct a firing range for statewide law enforcement training use.

16 **(9) Louisville Driving Track:** Included in the above Restricted Funds appropriation is
 17 \$5,000,000 in fiscal year 2026-2027 to be paid to the city of Louisville to construct a driving
 18 track for statewide law enforcement training use.

19 **3. JUVENILE JUSTICE**

	2026-27	2027-28
21 General Fund	173,572,500	182,026,800
22 Restricted Funds	13,731,900	13,892,100
23 Federal Funds	10,951,700	10,951,700
24 TOTAL	198,256,100	206,870,600

25 **(1) Evidence-Based Programming:** The Department of Juvenile Justice shall prepare a
 26 report detailing expenditures for evidence-based programming provided by the Department, as
 27 well as the number of youth served by each program, the number of filled positions providing

1 services and the number of program vacancies, the number of youth on waitlists for services, and
2 any other key performance indicators deemed appropriate by the Department. The Department of
3 Juvenile Justice shall submit this report on a quarterly basis to the Interim Joint Committee on
4 Appropriations and Revenue and the Juvenile Justice Oversight Council beginning November 1,
5 2026.

6 **(2) Louisville Detention Center Renovation:** The Department of Juvenile Justice shall
7 submit a report to the Interim Joint Committee on Appropriations and Revenue by September 1,
8 2026, detailing the status, progress, and current expenditures of the Renovate Louisville
9 Detention Center project authorized in 2024 Ky. Acts ch. 175, Part II, H., 3., 002.

10 **(3) Juvenile High-Acuity Mental Health Treatment Services:** (a) Notwithstanding
11 any statute to the contrary, The Justice and Public Safety Cabinet, in coordination with the
12 Department of Juvenile Justice, shall, no later than July 1, 2026, issue a Request for Information
13 to solicit input and assess feasibility regarding the planning, development, and delivery of high-
14 acuity mental health treatment services for juveniles, including the potential construction of a
15 treatment facility. In reviewing responses, the Cabinet shall consider only healthcare providers
16 that qualify for enhanced Medicaid reimbursement, including those eligible for a prospective
17 payment system rate, an all-inclusive rate, or an equivalent reimbursement methodology.

18 (b) The Request for Information shall require submissions to address, at a minimum, the
19 following: evidence-based practices for high acuity behavioral health services; demonstrated
20 expertise and operational capacity; cost-effectiveness and long-term sustainability; the proposed
21 service delivery model; partnership structure and accountability measures; and plans for data
22 collection, performance metrics, and outcome evaluation.

23 (c) The Cabinet shall submit a report by November 1, 2026, to the Interim Joint
24 Committee on Appropriations and Revenue, including a summary of all responses to the Request
25 for Information, an overview of the evaluation process, and any resulting findings or
26 recommendations. It is the intent of the General Assembly to authorize the use of funds from the
27 Budget Reserve Trust Fund if the Request for Information results in a viable project, including a

1 defined cost estimate and a feasible timeline for the implementation of the project for the
 2 delivery of services.

3 **(4) Jefferson Detention Facilities' Personnel and Operating:** Included in the above
 4 General Fund appropriation is \$6,515,300 in fiscal year 2026-2027 and \$12,019,800 in fiscal
 5 year 2027-2028 to support the Jefferson Regional Detention Center in Lyndon and the Jefferson
 6 County Youth Detention Center in downtown Louisville.

7 **(5) Design-Build Project Delivery Method:** Notwithstanding any statute to the
 8 contrary, the design-build project delivery method, as defined in KRS 45A.030(13), may be used
 9 to maximize cost savings for projects authorized in Part II, H., 3., 001. of this Act.

10 **4. STATE POLICE**

	2026-27	2027-28
11		
12	244,138,500	250,930,200
13	35,475,300	34,828,700
14	23,274,500	23,216,300
15	55,582,600	57,940,100
16	358,470,900	366,915,300

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

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

27 **(3) Training Incentive Payments:** Notwithstanding KRS 15.460(1), included in the

1 above Restricted Funds appropriation is \$4,653 in fiscal year 2026-2027 and \$4,746 in fiscal
2 year 2027-2028 for each participant for training incentive payments.

3 **(4) Support for Statewide Law Enforcement Purposes:** Included in the above
4 Restricted Funds appropriation is \$1,036,000 in fiscal year 2026-2027 for the acquisition of
5 mobile data terminals and docking stations. Notwithstanding 2017 Ky. Acts ch. 130, excess
6 proceeds from the sale of state-owned real property and improvements in Owensboro, Kentucky
7 operated by the Department of Juvenile Justice shall be transferred to the Department of
8 Kentucky State Police for this purpose. Notwithstanding KRS 45.229, any portion of these funds
9 that have not been expended by the end of fiscal year 2026-2027 shall not lapse and shall carry
10 forward into fiscal year 2027-2028.

11 **(5) Capitol Campus Security Personnel:** Included in the above General Fund
12 appropriation is \$125,600 in each fiscal year to support two Trooper R contracts designated
13 specifically for the Capitol campus.

14 **(6) Background Check Fees:** Pursuant to KRS 7.111, 7.112, and 11.160(1)(e), the
15 Department of Kentucky State Police shall not charge a fee for the cost of background checks
16 requested by the Legislative Research Commission during investigation processes related to
17 confirmations of appointments or reappointments to boards and commissions and administrative
18 law judges.

19 **(7) Statutory Salary Schedule Adjustments:** Included in the above General Fund
20 appropriation is \$3,802,000 in General Fund and \$1,817,900 in Road Fund in fiscal year 2026-
21 2027 and \$7,430,500 in General Fund and \$3,728,400 in Road Fund in fiscal year 2027-2028 to
22 support the statutory adjustment to the salary schedule based on the consumer price index for
23 troopers and commercial vehicle enforcement officers.

24 **(8) Kentucky Emergency Warning System Leases:** The Department of Kentucky State
25 Police shall prepare a report detailing by county, including but not limited to the number of
26 leases contracted, the cost of each lease, and the number of leases yet to be contracted. The
27 Department of Kentucky State Police shall submit this report to the Interim Joint Committee on

1 Appropriations and Revenue on a quarterly basis beginning November 1, 2026.

2 **(9) Fleet Vehicles:** The Department of Kentucky State Police shall prepare a report
3 detailing fleet vehicle purchases, including but not limited to total expenditures, price per
4 vehicle, the timing of purchases, the distribution of new vehicles purchased, as well as the
5 assigned use for each vehicle purchased. The Department of Kentucky State Police shall submit
6 this report on a quarterly basis to the Interim Joint Committee on Appropriations and Revenue
7 beginning November 1, 2026.

8 **(10) Recruitment and Retention Reporting:** The Department of Kentucky State Police
9 shall prepare a report detailing recruitment, retention, and demographic statistics, including but
10 not limited to age, gender, race, education-level, and geography, for trooper cadet classes
11 occurring in fiscal years 2025-2026, 2026-2027, and 2027-2028. The Department of Kentucky
12 State Police shall submit this report on a quarterly basis to the Interim Joint Committee on
13 Appropriations and Revenue beginning November 1, 2026.

14 **(11) Sworn Trooper Detail:** Notwithstanding any statute to the contrary, beginning with
15 fiscal year 2025-2026, no more than 25 percent of sworn troopers and officers, excluding those
16 positions established in KRS 16.187 and 16.196, shall be assigned to detail other than a post.

17 **(12) Land Acquisition Authorization:** Notwithstanding KRS 56.040, the Department of
18 Kentucky State Police may directly acquire, on behalf of the Commonwealth, any land required
19 for tower sites related to the Kentucky Emergency Warning System or the Emergency Radio
20 System Replacement project authorized in 2024 Ky. Acts ch. 175, Part II, H., 4., 007.

21 **(13) Northern and Central Kentucky Crime Labs:** Included in the above General Fund
22 appropriation is \$609,700 in fiscal year 2026-2027 and \$770,500 in fiscal year 2027-2028 to
23 support the relocation of the Northern Kentucky Crime Lab, as well as four forensic biologist
24 positions at the Central Kentucky Crime Lab in fiscal year 2026-2027 and two forensic biologist
25 positions at the Northern Kentucky Crime Lab in fiscal year 2027-2028. Notwithstanding any
26 statute to the contrary, qualified retirees may be recruited and given due consideration in filling
27 these positions.

1 **(14) Compensatory Time and Overtime:** Included in the above General Fund
 2 appropriation is \$5,500,000 in each fiscal year to support the conversion of compensatory time to
 3 paid overtime for nonexempt sworn personnel. Notwithstanding any statute to the contrary, all
 4 overtime work must be authorized by a supervisor in advance, not to exceed 100 hours annually,
 5 and any nonexempt employee who works overtime without prior authorization will be paid for
 6 all hours worked in accordance with federal and state law but may be subject to disciplinary
 7 action.

8 **(15) Driver Testing Offices:** Included in the above General Fund appropriation is
 9 \$1,302,900 in fiscal year 2026-2027 and \$1,570,000 in fiscal year 2027-2028 to support staffing
 10 and operations for driver testing at three existing regional driver's licensing offices.

11 **5. CORRECTIONS**

12 **a. Corrections Management**

	2026-27	2027-28
14 General Fund	19,043,300	19,130,000
15 Restricted Funds	399,400	149,000
16 Federal Funds	100,000	304,300
17 TOTAL	19,542,700	19,583,300

18 **(1) Local Correctional Facilities:** Notwithstanding KRS 441.420, no funds are provided
 19 for reimbursement to counties for design fees for architectural and engineering services
 20 associated with any new local correctional facility approved by the Kentucky Local Correctional
 21 Facilities Construction Authority.

22 **(2) Facility Reporting:** (a) The Department of Corrections shall continuously
 23 monitor its bed utilization of county jails, halfway houses, Recovery Kentucky drug treatment
 24 centers, and all other community correctional residential facilities that are under contract with the
 25 Department. This monitoring shall include periodic review of its classification system to ensure
 26 that all offenders are placed in the least restrictive housing that provides appropriate security to
 27 protect public safety and provide ample opportunity for treatment and successful reentry.

1 (b) On a monthly basis, the Department shall submit a report detailing the average
 2 occupancy rate for each of these facility types outlined in paragraph (a) of this subsection, as
 3 well as a projection of bed utilization one year from the reported period, to the Interim Joint
 4 Committee on Appropriations and Revenue.

5 **(3) Operational Costs for Inmate Population and Excess Local Jail Per Diem Costs:**

6 In the event that actual operational costs and/or actual local jail per diem payments exceed the
 7 amounts appropriated to support the budgeted average daily population of state felons for each
 8 fiscal year, the additional payments, up to \$10,000,000 in each fiscal year, shall be deemed
 9 necessary government expenses and shall be paid from the General Fund Surplus Account (KRS
 10 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705), subject to notification as to
 11 necessity and amount by the State Budget Director who shall report any certified expenditure to
 12 the Interim Joint Committee on Appropriations and Revenue.

13 **b. Adult Correctional Institutions**

	2026-27	2027-28
14 General Fund	482,932,900	494,692,100
15 Restricted Funds	22,069,100	21,373,800
16 Federal Funds	30,000	95,600
17 TOTAL	505,032,000	516,161,500

18 **(1) Transfer to State Institutions:** Notwithstanding KRS 532.100(8), state prisoners,
 19 excluding the Class C and Class D felons qualifying to serve time in county jails, may be
 20 transferred to a state institution within 90 days of final sentencing, if the county jail does not
 21 object to the additional 45 days.

22 **(2) Little Sandy Correctional Complex:** The Department of Corrections shall prepare a
 23 report, including but not limited to the expenditures related to the expansion, the number of full-
 24 time positions filled and vacant, the number of offenders housed, and the number of offenders
 25 transferred from other facilities by facility. The Department of Corrections shall submit this
 26 report on a quarterly basis to the Interim Joint Committee on Appropriations and Revenue
 27

1 beginning November 1, 2026.

2 **(3) Institutional Support:** Included in the above General Fund appropriation is
 3 \$4,000,000 in fiscal year 2026-2027 and \$9,000,000 in fiscal year 2027-2028 to support
 4 increased medical costs.

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

	2026-27	2027-28
7 General Fund	250,628,300	254,327,800
8 Restricted Funds	16,173,000	15,094,000
9 Federal Funds	874,200	874,200
10 TOTAL	267,675,500	270,296,000

11 **(1) Local Jails Funding:** Notwithstanding KRS 441.605 to 441.695, funds in the amount
 12 of \$8,847,300 in fiscal year 2026-2027 and \$7,742,200 in fiscal year 2027-2028 shall be
 13 expended from the Kentucky Local Correctional Facilities Construction Authority for local
 14 correctional facility and operational support.

15 **(2) Participation in Transparent Governing - Full Disclosure of Inmate Population**

16 **Forecasts and Related Materials:** The Office of State Budget Director shall provide the
 17 methodology, assumptions, data, and all other related materials used to project biennial offender
 18 population forecasts conducted by the Office of State Budget Director, the Kentucky Department
 19 of Corrections, and any consulting firms, to the Interim Joint Committee on Appropriations and
 20 Revenue by October 1, 2027. This submission shall include but not be limited to the projected
 21 state, county, and community offender populations for the 2028-2030 fiscal biennium and must
 22 coincide with the budgeted amount for these populations. This submission shall clearly divulge
 23 the methodology and reasoning behind the budgeted and projected offender population in a
 24 commitment to participate in transparent governing.

25 **(3) Program Completion and Sentence Credit Payments:** Notwithstanding KRS
 26 197.045(6), payments for program completions resulting in sentencing credit shall not expire and
 27 shall continue through the 2026-2028 fiscal biennium. Included in the above General Fund

1 appropriation is \$13,500,000 in each fiscal year to support payments for program completions
 2 resulting in sentencing credit as prescribed in KRS 197.045(6)(a), (b), and (c). The Department
 3 of Corrections shall prepare a report annually, including but not limited to the number of
 4 program completions, the cost of payments for each category of sentencing credit, and the
 5 programmatic impact on recidivism. The Department of Corrections shall submit this report to
 6 the Interim Joint Committee on Appropriations and Revenue by October 1 of each year.

7 **(4) Substance Abuse, Mental Health, and Reentry Service Centers:** (a)
 8 Notwithstanding any statute to the contrary, for each fiscal year, the Department of
 9 Corrections shall pay each contracted provider of substance abuse, mental health, and reentry
 10 centers a minimum of 65 percent of the contracted beds monthly. Any contracted but unfilled
 11 beds as of the effective date of this Act may, at the discretion of the provider, be terminated.

12 (b) Each contracted provider, as provided for in paragraph (a) of this subsection, shall
 13 report 100 percent of their occupancy to the Department of Corrections. The report shall detail
 14 the total number of beds, the number of beds available, and the type of individual occupying bed
 15 space, and shall be submitted in a method and at a frequency established by the Department's
 16 discretion.

17 **d. Local Jail Support**

	2026-27	2027-28
19 General Fund	16,788,600	16,788,600

20 **(1) Local Corrections Assistance Fund Allocation:** Included in the above General
 21 Fund appropriation is \$4,630,200 in each fiscal year to be distributed to counties pursuant to the
 22 provisions of House Bill 757 of the 2026 Regular Session.

23 **(2) Life Safety or Closed Jails:** Included in the above General Fund appropriation is
 24 \$860,000 in each fiscal year to provide a monthly payment of an annual amount of \$20,000 to
 25 each county with a life safety jail or closed jail. The payment shall be in addition to the payment
 26 required by KRS 441.206(2).

27 **(3) Inmate Medical Care Expenses:** Included in the above General Fund appropriation

1 is \$792,800 in each fiscal year for medical care contracts to be distributed, upon approval of the
 2 Department of Corrections, to counties by the formula codified in KRS 441.206, and \$851,800 in
 3 each fiscal year, on a partial reimbursement basis, for medical claims in excess of the statutory
 4 threshold pursuant to KRS 441.045. The funding support for medical contracts and catastrophic
 5 medical expenses for indigents shall be maintained in discrete accounts. Any medical claim that
 6 exceeds the statutory threshold may be reimbursed for that amount in excess of the statutory
 7 threshold.

8 **TOTAL - CORRECTIONS**

	2026-27	2027-28
10 General Fund	769,393,100	784,938,500
11 Restricted Funds	38,641,500	36,616,800
12 Federal Funds	1,004,200	1,274,100
13 TOTAL	809,038,800	822,829,400

14 **6. PUBLIC ADVOCACY**

	2026-27	2027-28
16 General Fund	96,695,100	96,571,700
17 Restricted Funds	4,368,100	4,282,800
18 Federal Funds	2,312,300	2,350,700
19 TOTAL	103,375,500	103,205,200

20 **(1) Attorney Compensation:** Included in the above General Fund appropriation is
 21 \$3,610,600 in fiscal year 2026-2027 and \$5,404,300 in fiscal year 2027-2028 to support an
 22 annual salary increase for attorneys with a caseload in the Department of Public Advocacy who
 23 are reclassified pursuant to the provisions of House Bill 762 of the 2026 Regular Session.

24 **(2) Technology Needs:** Included in the above General Fund appropriation is \$800,000 in
 25 each fiscal year to support service fees and contracts for various software and technology
 26 supports.

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

		2026-27	2027-28
1			
2	General Fund (Tobacco)	2,881,200	2,662,700
3	General Fund	1,328,583,400	1,359,915,200
4	Restricted Funds	235,916,300	221,737,200
5	Federal Funds	72,437,900	72,676,500
6	Road Fund	55,582,600	57,940,100
7	TOTAL	1,695,401,400	1,714,931,700

J. PERSONNEL CABINET

Budget Units

1. GENERAL OPERATIONS

		2026-27	2027-28
11			
12	Restricted Funds	32,390,400	31,962,300

(1) **Public Employee Health Insurance Trust Fund Actuarial Projections:** The Department of Employee Insurance shall prepare a report that includes actuarial projections of the operating net gain or loss, recommended reserves, and remaining balance after reserves, by plan year, for all active plan years and a minimum of two upcoming plan years for the Public Employee Health Insurance Trust Fund, as of September 30 of each fiscal year. This report shall be submitted to the Interim Joint Committee on Appropriations and Revenue by December 1 of each year.

(2) **Monthly Reporting Requirement:** Notwithstanding any statute to the contrary, the Personnel Cabinet shall, on a monthly basis, and no later than 45 days after the last working day of each month, submit to the Legislative Research Commission and the Interim Joint Committee on Appropriations and Revenue data and reports related to the operation and performance of the Kentucky Employees' Health Plan. The monthly submission shall include, at a minimum:

- (a) Claims and Enrollment Report, including:
 - 1. A breakdown of all plan enrollments;
 - 2. Medical claims lag;

- 1 3. Prescription claims lag;
- 2 4. Medical claims on a paid basis; and
- 3 5. Prescription claims on a paid basis;
- 4 (b) A trust fund cash transactions listing;
- 5 (c) A trust fund summary report; and
- 6 (d) Any other data or reports necessary to monitor the operation and performance of the
- 7 Kentucky Employees' Health Plan.

8 **(3) State Health Plan Actuarial Reporting:** The Personnel Cabinet shall, on or before

9 May 1, 2026, provide to the General Assembly actuarial reports, studies, and recommendations

10 related to the development and implementation of benefits, enrollment rules, and premium rates

11 for Plan Years 2023, 2024, 2025, 2026, 2027, and 2028.

12 The cabinet shall also provide documentation of changes in expected claim costs resulting

13 from benefit changes implemented or projected for Plan Years 2026, 2027, and 2028, including

14 the actuarial basis and methodology used for such projections.

15 In addition, the cabinet shall provide documentation of actuarially projected income and

16 expenses for Plan Years 2026, 2027, and 2028, including the actuarial basis and methodology

17 used for such projections. Such documentation shall include, at a minimum, prior plan

18 experience and the source of that experience, adjustments attributable to plan or rate changes,

19 claim reserve details, the inflationary trend utilized, and the rationale supporting the selected

20 inflationary trend.

21 All reports and documentation required by this subsection shall also be posted on the

22 Personnel Cabinet's website in a publicly accessible location.

23 **2. PUBLIC EMPLOYEES DEFERRED COMPENSATION AUTHORITY**

	2026-27	2027-28
24		
25 Restricted Funds	8,112,800	7,928,800

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

	2026-27	2027-28
27		

1	Restricted Funds	23,618,700	23,061,000
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2 **4. FIXED ALLOCATION NON-HAZARDOUS PENSION FUND**

3		2026-27	2027-28
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4	General Fund	63,858,000	63,858,000
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5 (1) **Quasi-State Agency Subsidy Distributions:** (a) Included in the above General
6 Fund appropriation is \$332,100 in each fiscal year to maintain each Non-P1 state agency's fiscal
7 year 2019-2020 baseline subsidy.

8 (b) Included in the above General Fund appropriation is \$18,882,100 in each fiscal year
9 to maintain each Regional Mental Health Unit's fiscal year 2019-2020 baseline subsidy.

10 (c) Included in the above General Fund appropriation is \$25,151,300 in each fiscal year
11 to maintain each health department's fiscal year 2019-2020 baseline subsidy.

12 (d) The distribution of the baseline subsidy to each employer classification identified in
13 paragraphs (a), (b), and (c) of this subsection shall be distributed in the following manner: In July
14 and January of each year, the Office of State Budget Director shall obtain the total creditable
15 compensation reported by each employer to the Kentucky Public Pensions Authority and utilize
16 that number to determine how much of each total appropriation shall be distributed to each
17 employer within its own unique employer classification. Payments to each employer shall be
18 made on September 1 and April 1 of each fiscal year. The Office of State Budget Director shall
19 provide a report to the Interim Joint Committee on Appropriations and Revenue by May 1 of
20 each fiscal year. The report shall detail the disbursement of funds in this subsection and include
21 the creditable compensation, by employer, for which disbursements are made.

22 (e) Notwithstanding KRS 61.5991(6)(b), included in the above General Fund
23 appropriation is \$19,492,500 in each fiscal year to support each employer's share of the
24 anticipated retirement costs over each employer's fiscal year 2019-2020 baseline contribution as
25 adjusted and posted under the 2026 Budget Bills tile on the Legislative Research Commission's
26 website.

27 **TOTAL - PERSONNEL CABINET**

	2026-27	2027-28
1		
2 General Fund	63,858,000	63,858,000
3 Restricted Funds	64,121,900	62,952,100
4 TOTAL	127,979,900	126,810,100

K. POSTSECONDARY EDUCATION

Budget Units

1. COUNCIL ON POSTSECONDARY EDUCATION

	2026-27	2027-28
8		
9 General Fund (Tobacco)	6,165,900	5,745,500
10 General Fund	14,217,900	17,696,700
11 Restricted Funds	11,709,700	9,025,900
12 Federal Funds	6,128,800	6,190,100
13 TOTAL	38,222,300	38,658,200

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

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

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

(4) **Postsecondary Education Debt:** Notwithstanding KRS 45.750 to 45.810, in order to lower the cost of borrowing, any university that has issued or caused to be issued debt

1 obligations through a not-for-profit corporation or a municipality or county government for
2 which the rental or use payments of the university substantially meet the debt service
3 requirements of those debt obligations is authorized to refinance those debt obligations if the
4 principal amount of the debt obligations is not increased and the rental payments of the
5 university are not increased. Any funds used by a university to meet debt obligations issued by a
6 university pursuant to this subsection shall be subject to interception of state-appropriated funds
7 pursuant to KRS 164A.608.

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

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

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

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

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

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

- 1 1. Transition to online or otherwise remote instruction;
- 2 2. Pause or modification to instruction available through the institution of higher
- 3 education;
- 4 3. Closure of, or modification to, operation of on-campus facilities of the public
- 5 postsecondary institution; or
- 6 4. The public postsecondary institution offered online and otherwise remote learning
- 7 options that allowed students to complete the coursework in the academic term that included the
- 8 months of March, April, and May 2020 and receive academic credit.

9 **(8) Ovarian Cancer Screening:** Included in the above General Fund appropriation is
 10 \$960,000 in fiscal year 2026-2027 and \$930,000 in fiscal year 2027-2028 for the Ovarian Cancer
 11 Screening Outreach Program at the University of Kentucky.

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

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

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

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

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

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

1 Tuition Grant Program.

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

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

7 (a) Notwithstanding KRS 154A.130(4), \$93,656,600 in General Fund;

8 (b) \$12,269,100 in Restricted Funds from previous fiscal years' excess Lottery funds; and

9 (c) \$12,300,000 in Restricted Funds from Unclaimed Lottery Prize revenue.

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

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

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

23 (b) Notwithstanding KRS 164.786(1)(f) and 164.787(2)(d), the dual credit tuition rate
24 ceiling shall be one-half of the per credit hour tuition amount charged by the Kentucky
25 Community and Technical College System for in-state students. Notwithstanding KRS
26 164.786(4)(c), eligible high school students may receive a dual credit scholarship for two career
27 and technical education dual credit courses per academic year and four general education dual

1 credit courses over the junior and senior years, up to a maximum of 12 approved dual credit
2 courses.

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

19 **(8) Optometry Scholarship Program:** Included in the above General Fund
20 appropriation is \$814,500 in fiscal year 2026-2027 and \$789,000 in fiscal year 2027-2028 for the
21 Optometry Scholarship Program. For students receiving an initial award in fiscal year 2027-2028
22 or thereafter, as a condition of the scholarship each recipient shall enter into a written agreement
23 with the Kentucky Higher Education Assistance Authority to practice optometry in the
24 Commonwealth of Kentucky for at least one year for each year the scholarship is received. If a
25 recipient fails to complete the required service requirement within the timeframe established by
26 the Authority, the scholarship shall be converted to a loan and be shall repaid to the
27 Commonwealth. For any scholarship converted to a loan, interest shall be assessed and shall

1 accrue on the principal balance beginning on the date of the first disbursement. The rate of
2 interest shall be determined by the Authority through the promulgation of administrative
3 regulations. All repayments, including principal and interest, shall be deposited into a trust and
4 agency account to be used for future awards. The Authority shall be entitled to recover
5 reasonable costs of collection and attorney fees in the event of default. Students receiving the
6 scholarship prior to fiscal year 2027-2028 shall not be subject to this service requirement.

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

15 **(10) Redistribution of Resources:** Notwithstanding KRS 164.740 to 164.764,
16 164.7890(11)(c), 164.7891(11)(b), and 164.7894, no General Fund is provided for Work Study,
17 Coal County Pharmacy Scholarships, Osteopathic Medicine Scholarships, and Coal County
18 College Completion Scholarships in order to provide additional funding to the College Access
19 Program and Kentucky Tuition Grant Program.

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

27 **(12) General Administration and Support:** Included in the above General Fund

1 appropriation is \$6,000,000 in each fiscal year to support general administration and support
 2 services.

3 **(13) Teacher Recruitment Student Loan Forgiveness Pilot Program:** Included in the
 4 above General Fund appropriation is \$4,800,000 in each fiscal year for the Teacher Recruitment
 5 Student Loan Forgiveness Pilot Program. Notwithstanding KRS 154A.130(4), of this amount
 6 \$2,000,000 shall be allocated from lottery revenues.

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

12 **3. EASTERN KENTUCKY UNIVERSITY**

	2026-27	2027-28
14 General Fund	80,209,800	73,838,900
15 Restricted Funds	218,354,400	218,016,300
16 Federal Funds	135,500,000	135,500,000
17 TOTAL	434,064,200	427,355,200

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

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

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

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

27 **(2) Air Traffic Control Training Program:** Included in the above General Fund

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

3 **4. KENTUCKY STATE UNIVERSITY**

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

8 (1) **Mandated Programs:** Included in the above General Fund appropriation are the
 9 following:
 10

- 11 (a) \$10,381,000 in each fiscal year to fund the state match payments required of land-
 12 grant universities under federal law;
- 13 (b) \$473,600 in each fiscal year to support the Commonwealth’s Property and Casualty
 14 Insurance Fund premium; and
- 15 (c) \$2,000,000 in fiscal year 2026-2027 for expansion of online offerings.

16 **5. MOREHEAD STATE UNIVERSITY**

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

21 (1) **Mandated Programs:** Included in the above General Fund appropriation are the
 22 following:
 23

- 24 (a) \$5,959,800 in fiscal year 2026-2027 and \$6,476,800 in fiscal year 2027-2028 for the
 25 Craft Academy for Excellence in Science and Mathematics;
- 26 (b) Notwithstanding KRS 61.5991, \$2,456,500 in each fiscal year to support the
 27 university's share of the anticipated retirement costs over the university's fiscal year 2019-2020

1 baseline contribution as adjusted and posted under the 2026 Budget Bills tile on the Legislative
 2 Research Commission's website; and

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

5 **6. MURRAY STATE UNIVERSITY**

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

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

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

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

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

20 **7. NORTHERN KENTUCKY UNIVERSITY**

	2026-27	2027-28
22 General Fund	56,453,800	57,249,300
23 Restricted Funds	221,360,100	221,360,100
24 Federal Funds	15,450,500	15,450,500
25 TOTAL	293,264,400	294,059,900

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

- 1 (a) \$1,323,900 in each fiscal year for the Kentucky Center for Mathematics;
- 2 (b) \$1,377,900 in each fiscal year to support the Commonwealth’s Property and Casualty
- 3 Insurance Fund premium; and
- 4 (c) \$1,800,000 in fiscal year 2026-2027 and \$3,600,000 in fiscal year 2027-2028 for the
- 5 Votruba Young Scholars Academy.

6 **8. UNIVERSITY OF KENTUCKY**

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

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

- 15 (a) \$35,420,800 in each fiscal year for the College of Agriculture, Food and
- 16 Environment’s Cooperative Extension Service. Of this amount, \$4,145,500 in each fiscal year is
- 17 provided to support extension agent compensation;
- 18 (b) \$31,434,100 in each fiscal year for the Kentucky Agricultural Experiment Station;
- 19 (c) \$10,176,200 in each fiscal year for the Center for Applied Energy Research;
- 20 (d) \$4,076,300 in each fiscal year for the Kentucky Geological Survey;
- 21 (e) \$4,034,200 in each fiscal year for the Veterinary Diagnostic Laboratory;
- 22 (f) \$2,040,500 in each fiscal year for the Sanders-Brown Center on Aging;
- 23 (g) \$1,800,000 in each fiscal year for the College of Agriculture, Food and
- 24 Environment’s Division of Regulatory Services;
- 25 (h) \$600,000 in each fiscal year for the College of Agriculture, Food and Environment’s
- 26 Kentucky Small Business Development Center;
- 27 (i) \$586,300 in each fiscal year for the University Press of Kentucky;

1 (j) \$500,000 in each fiscal year for the Human Development Institute for the Supported
2 Higher Education Project;

3 (k) \$450,200 in each fiscal year for the Center of Excellence in Rural Health;

4 (l) \$950,200 in each fiscal year for the Kentucky Cancer Registry;

5 (m) \$100,000 in each fiscal year for the Sports Medicine Research Institute; and

6 (n) \$10,750,900 in each fiscal year to support the Commonwealth's Property and
7 Casualty Insurance Fund Premium.

8 **(2) Nuclear Reactor Site Readiness Pilot Program:** Costs associated with the
9 procurement of an Early Site Permit (10 C.F.R. secs. 52.12 et seq.), a Construction Permit (10
10 C.F.R. pt. 50), or a Combined Operating License (10 C.F.R. secs. 52.71 et seq.) from the United
11 States Nuclear Regulatory Commission for up to three projects under the Nuclear Reactor Site
12 Readiness Pilot Program shall be deemed a necessary government expense and shall be paid
13 from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund
14 Account (KRS 48.705) in an amount not to exceed \$75,000,000 for the 2026-2028 fiscal
15 biennium. Any such expenditure shall be subject to the prior written approval of the State Budget
16 Director and shall be limited to one-third of the actual costs incurred per project, not to exceed
17 \$25,000,000 per project.

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

23 **(4) Energy Planning and Inventory Commission:** In fiscal year 2026-2027,
24 \$15,000,000 of the funds authorized in 2024 Ky. Acts ch. 173, sec. 1, (207) shall be allocated to
25 the Energy Planning and Inventory Commission.

26 **9. UNIVERSITY OF LOUISVILLE**

27 **2026-27** **2027-28**

1	General Fund (Tobacco)	2,750,000	-0-
2	General Fund	135,615,900	133,164,800
3	Restricted Funds	1,515,148,500	1,547,903,100
4	Federal Funds	196,365,300	200,610,300
5	TOTAL	1,849,879,700	1,881,678,200

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

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

15 **(2) Cancer Research:** Included in the above General Fund (Tobacco) appropriation is
 16 \$2,750,000 in fiscal year 2026-2027 to fund cancer research at the Brown Cancer Center. This
 17 appropriation is from the lapse and reallocation of Early Childhood Development Fund
 18 appropriations set forth in Part X of this Act.

19 **10. WESTERN KENTUCKY UNIVERSITY**

20		2026-27	2027-28
21	General Fund	80,142,600	79,202,300
22	Restricted Funds	279,343,600	280,343,600
23	Federal Funds	44,143,300	44,143,300
24	TOTAL	403,629,500	403,689,200

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

- 27 (a) \$5,959,800 in fiscal year 2026-2027 and \$6,476,800 in fiscal year 2027-2028 for the

1 Gatton Academy of Mathematics and Science in Kentucky;

2 (b) \$1,750,000 in each fiscal year for the Kentucky Mesonet;

3 (c) Notwithstanding KRS 61.5991, \$1,412,000 in each fiscal year to support the
 4 university's share of the anticipated retirement costs over the university's fiscal year 2019-2020
 5 baseline contribution as adjusted and posted under the 2026 Budget Bills tile on the Legislative
 6 Research Commission's website; and

7 (d) \$1,866,900 in each fiscal year to support the Commonwealth's Property and Casualty
 8 Insurance Fund premium.

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

	2026-27	2027-28
11 General Fund	179,381,700	176,089,000
12 Restricted Funds	556,045,700	561,002,400
13 Federal Funds	295,517,000	295,516,800
14 TOTAL	1,030,944,400	1,032,608,200

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

17 (a) \$6,000,000 in each fiscal year for KCTCS-TRAINS;

18 (b) \$1,000,000 in each fiscal year for Adult Agriculture Education; and

19 (c) \$3,164,800 in each fiscal year to support the Commonwealth's Property and Casualty
 20 Insurance Fund premium.

21 (2) **Firefighters Foundation Program Fund:** (a) Included in the above Restricted
 22 Funds appropriation is \$64,160,100 in fiscal year 2026-2027 and \$63,175,400 in fiscal year
 23 2027-2028 for the Firefighters Foundation Program Fund.

24 (b) Notwithstanding KRS 95A.250(1)(a), included in the above Restricted Funds
 25 appropriation are sufficient funds for an incentive payment of \$4,653 in fiscal year 2026-2027
 26 and \$4,746 in fiscal year 2027-2028, plus an amount equal to the required employer's
 27 contribution on the supplement in each fiscal year for each qualified professional firefighter

1 under the Firefighters Foundation Program Fund. KRS 95A.250(1)(b) to (e) shall remain
2 applicable, except that the administrative expense reimbursement cap under KRS
3 95A.250(1)(e)(3) shall not exceed \$500,000.

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

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

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

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

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

18 **(4) Guaranteed Energy Savings Performance Contracts:** Notwithstanding KRS
19 56.770 and 56.774, guaranteed energy savings performance contracts may be executed for
20 buildings operated by the Kentucky Community and Technical College System under
21 agreements governed by KRS 164.593.

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

25 **(6) Other Postemployment Benefits Trust Fund:** By October 1, 2026, the President of
26 the Kentucky Community and Technical College System (KCTCS) is directed to have
27 determined the actuarial liabilities of the KCTCS Other Postemployment Trust Fund effective

1 December 31, 2026, and provide a report to the Interim Joint Committee on Appropriations and
 2 Revenue. By January 1, 2027, with the assistance of the State Budget Director and the Secretary
 3 of the Finance and Administration Cabinet, the President of KCTCS shall submit a plan to the
 4 Legislative Research Commission to have the difference between the balance of the KCTCS
 5 Other Postemployment Benefits Trust Fund and the actuarial liabilities of the fund transferred to
 6 the Budget Reserve Trust Fund Account (KRS 48.705). It is the intent of the 2026 General
 7 Assembly to take action on the plan submitted to the Legislative Research Commission in the
 8 2027 Regular Session.

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

13 **12. POSTSECONDARY EDUCATION PERFORMANCE FUND**

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

16 **TOTAL - POSTSECONDARY EDUCATION**

	2026-27	2027-28
18 General Fund (Tobacco)	9,415,900	7,245,500
19 General Fund	1,466,348,600	1,450,585,300
20 Restricted Funds	11,894,631,900	12,760,149,500
21 Federal Funds	1,123,312,500	1,148,968,000
22 TOTAL	14,493,708,900	15,366,948,300

23 **L. PUBLIC PROTECTION CABINET**

24 **Budget Units**

25 **1. SECRETARY**

	2026-27	2027-28
27 Restricted Funds	11,485,300	11,172,000

1 **2. PROFESSIONAL LICENSING**

	2026-27	2027-28
2		
3 Restricted Funds	5,377,800	5,321,900
4 Federal Funds	204,700	204,700
5 TOTAL	5,582,500	5,526,600

6 **(1) Additional Personnel:** Included in the above Restricted Funds appropriation is
 7 \$100,900 in fiscal year 2026-2027 and \$100,600 in fiscal year 2027-2028 to support additional
 8 personnel.

9 **(2) Real Property Boards:** Included in the above appropriations is sufficient funding to
 10 implement and carry out the provisions of 2024 Ky. Acts ch. 182.

11 **3. BOXING AND WRESTLING AUTHORITY**

	2026-27	2027-28
12		
13 Restricted Funds	326,400	325,000

14 **(1) Additional Personnel:** Included in the above Restricted Funds appropriation is
 15 \$70,000 in each fiscal year to support additional personnel.

16 **4. ALCOHOLIC BEVERAGE CONTROL**

	2026-27	2027-28
17		
18 Restricted Funds	9,177,600	8,636,500
19 Federal Funds	1,014,700	1,014,700
20 TOTAL	10,192,300	9,651,200

21 **(1) Training Incentive Payments:** Notwithstanding KRS 15.460(1), included in the
 22 above Restricted Funds appropriation is \$4,653 in fiscal year 2026-2027 and \$4,746 in fiscal
 23 year 2027-2028 for each participant for training incentive payments.

24 **(2) Special Temporary Nonprofit License:** (a) Notwithstanding any provisions of KRS
 25 Chapters 241 to 244 or administrative regulations promulgated thereunder to the contrary, a
 26 special temporary nonprofit license shall be issued to a nonprofit organization or the organizer or
 27 sponsor of a state, regional, or national conference for its use at state, regional, or national

1 conferences, which shall not include a political campaign fundraiser.

2 (b) A special temporary nonprofit license shall authorize the holder and its employees or
3 agents to purchase, transport, receive, possess, store, sell, donate, deliver, and serve alcoholic
4 beverages, including wine, malt beverages, and distilled spirits, to be sold by the package or the
5 drink, or to be served free of charge by the drink, in person to attendees of state, regional, or
6 national conferences, by auction, or by raffle, or sold or served free of charge by the drink to
7 attendees of state, regional, or national conferences, and to receive alcoholic beverages from
8 distillers, rectifiers, wineries, small farm wineries, brewers, microbreweries, wholesalers,
9 distributors, retailers, or any other person, by gift, donation, or delivery for its use at a state,
10 regional, or national conference.

11 (c) The location at which the alcoholic beverages are auctioned, sold, raffled, served, or
12 consumed under the provisions of this subsection shall not constitute a public place for the
13 purposes of KRS Chapter 222. Nonprofit events, including state, regional, or national
14 conferences, may be conducted on licensed or unlicensed premises.

15 (d) A special temporary nonprofit license shall not be issued for any period longer than
16 30 days.

17 (e) Notwithstanding any other provision of KRS Chapters 241 to 244, a distiller,
18 rectifier, winery, small farm winery, brewer, microbrewery, wholesaler, distributor, or retailer
19 may donate, give away, or deliver any of its products to a nonprofit organization or the organizer
20 or sponsor of a state, regional, or national conference possessing a special temporary nonprofit
21 license.

22 (f) Nothing herein shall prohibit the employees of an entity that holds a special
23 temporary nonprofit license from serving or selling wine, malt beverages, and distilled spirits by
24 the drink to attendees of state, regional, or national conference.

25 (g) Nothing in this section shall prohibit the employees of retail drink licensees,
26 including but not limited to NQ1, NQ2, NQ3, and licensed caterers from serving or selling wine,
27 malt beverages, and distilled spirits by the drink at a state, regional, or national conference on the

1 account of or on behalf of a nonprofit organization or the organizer or sponsor of a state,
 2 regional, or national conference that holds a special temporary nonprofit license.

3 **(3) Additional Tobacco, Nicotine, and Vapor Personnel:** Included in the above
 4 Restricted Funds appropriation is \$2,750,000 in fiscal year 2026-2027 and \$2,250,000 in fiscal
 5 year 2027-2028 to support additional personnel and vehicles.

6 **5. FINANCIAL INSTITUTIONS**

	2026-27	2027-28
8 Restricted Funds	17,785,200	17,651,100

9 **6. HOUSING, BUILDINGS AND CONSTRUCTION**

	2026-27	2027-28
11 General Fund	251,100	3,282,000
12 Restricted Funds	28,935,700	25,761,600
13 TOTAL	29,186,800	29,043,600

14 **(1) Industrial or Business Project Plan Reviews and Inspections:** Notwithstanding
 15 KRS 198B.060, permit applicants may request local or state governments to perform plan
 16 review, inspection, and enforcement responsibilities related to industrial or business projects.

17 **(2) Inspectors and Reviewers Reporting Requirement:** The Department of Housing,
 18 Buildings and Construction shall submit a report to the Legislative Research Commission, Office
 19 of Budget Review, by December 1 of each fiscal year detailing the number of full-time
 20 inspectors and reviewers, in addition to the number of completed inspections and plan reviews.

21 **(3) Operations of the Department:** Notwithstanding KRS 227A.050, included in the
 22 above Restricted Funds appropriation is \$2,977,600 in fiscal year 2026-2027 to support of the
 23 operations of the Department of Housing, Buildings and Construction, Division of General
 24 Inspections.

25 **(4) School Building Plan Reviews and Inspections:** Notwithstanding KRS 198B.060,
 26 local governments may have jurisdiction for plan review, inspection, and enforcement
 27 responsibilities over buildings intended for educational purposes, other than licensed day-care

1 centers, at the discretion of the local school districts.

2 **(5) Additional Plumbing Personnel:** Included in the above Restricted Funds
 3 appropriation is \$206,900 in fiscal year 2026-2027 and \$206,200 in fiscal year 2027-2028 to
 4 support additional personnel.

5 **(6) Additional HVAC Personnel:** Included in the above Restricted Funds appropriation
 6 is \$198,800 in fiscal year 2026-2027 and \$198,100 in fiscal year 2027-2028 to support additional
 7 personnel.

8 **(7) Additional Hazardous Material Personnel:** Included in the above Restricted Funds
 9 appropriation is \$182,600 in fiscal year 2026-2027 and \$182,000 in fiscal year 2027-2028 to
 10 support additional personnel.

11 **(8) Additional Electrical Personnel:** Included in the above Restricted Funds
 12 appropriation is \$531,900 in fiscal year 2026-2027 and \$530,000 in fiscal year 2027-2028 to
 13 support additional personnel.

14 **(9) Additional Boiler Personnel:** Included in the above Restricted Funds appropriation
 15 is \$182,600 in fiscal year 2026-2027 and \$182,000 in fiscal year 2027-2028 to support additional
 16 personnel.

17 **(10) Additional Building Code Enforcement Personnel:** Included in the above
 18 Restricted Funds appropriation is \$299,700 in fiscal year 2026-2027 and \$298,700 in fiscal year
 19 2027-2028 to support additional personnel.

20 **7. INSURANCE**

	2026-27	2027-28
21		
22	Restricted Funds	22,745,400 22,525,500

23 **(1) Training Incentive Payments:** Notwithstanding KRS 15.460(1), included in the
 24 above Restricted Funds appropriation is \$4,653 in fiscal year 2026-2027 and \$4,746 in fiscal
 25 year 2027-2028 for each participant for training incentive payments.

26 **(2) Property and Casualty Actuarial Contract Increase:** Included in the above
 27 Restricted Funds appropriation is \$225,000 in each fiscal year to support an increase in actuarial

1 contracts.

2 (3) **Financial Standards Actuarial Contract Increase:** Included in the above Restricted
3 Funds appropriation is \$750,000 in each fiscal year to support an increase in actuarial contracts.

4 (4) **Restricted Funds Transfer for Medicaid Benefits:** Notwithstanding KRS 304.2-
5 400(2), there is hereby transferred \$290,000,000 in fiscal year 2026-2027 from the Insurance
6 Regulatory Trust Fund in the Department of Insurance to the Budget Reserve Trust Fund
7 Account (KRS 48.705). It is the intent of the 2026 General Assembly to reserve \$290,000,000
8 for potential appropriation for Medicaid Benefits in the 2027 Regular Session if deemed
9 necessary for claims and payments in fiscal year 2026-2027 or fiscal year 2027-2028.

10 (5) **Local School District Insurance Coverage Evaluation:** The Department of
11 Insurance shall submit a report using information reported by the Kentucky Department of
12 Education pursuant to Part I, C., 2., (8) of this Act to the Interim Joint Committee on
13 Appropriations and Revenue no later than November 1, 2026. The report shall evaluate and
14 determine the adequacy of insurance coverage for each local school district, as required under
15 702 KAR 3:030.

16 (6) **Restricted Funds Transfer - Out of Home Care:** Notwithstanding KRS 304.2-
17 400(2), there is hereby transferred \$22,000,000 in each fiscal year from the Insurance
18 Regulatory Trust Fund in the Department of Insurance to the Out of Home Care Replacement
19 Fund.

20 (7) **Restricted Funds Transfer - Dental Services:** Notwithstanding KRS 304.2-400(2),
21 there is hereby transferred \$8,000,000 in each fiscal year from the Insurance Regulatory Trust
22 Fund in the Department of Insurance to Medicaid Benefits.

23 **8. CLAIMS AND APPEALS**

	2026-27	2027-28
24 General Fund	2,124,900	2,083,300
25 Restricted Funds	1,279,800	1,274,400
26 Federal Funds	771,900	773,500

1 TOTAL 4,176,600 4,131,200

2 (1) **Administrative Expenses and Claims:** Notwithstanding KRS 304.2-400(2), excess
 3 Restricted Funds from the Department of Insurance shall be transferred to the Crime Victims'
 4 Compensation Fund and made available to support administrative expenses and claims.

5 (2) **Victims of Crime:** Included in the above appropriations is sufficient funding to
 6 implement and carry out the provisions of 2024 Ky. Acts ch. 67.

7 **TOTAL - PUBLIC PROTECTION CABINET**

	2026-27	2027-28
8 General Fund	2,376,000	5,365,300
9 Restricted Funds	97,113,200	92,668,000
10 Federal Funds	1,991,300	1,992,900
11 TOTAL	101,480,500	100,026,200

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

13 **Budget Units**

14 **1. SECRETARY**

	2026-27	2027-28
16 General Fund	3,427,400	3,655,500
17 Restricted Funds	20,616,900	19,574,400
18 TOTAL	24,044,300	23,229,900

19 (1) **Kentucky Mountain Regional Recreation Authority:** Restricted Funds in the
 20 amount of \$1,500,000 in each fiscal year shall be transferred to the Department for Local
 21 Government from taxes collected pursuant to KRS 142.400(2) to support the Kentucky Mountain
 22 Regional Recreation Authority.
 23

24 **2. ARTISANS CENTER**

	2026-27	2027-28
25 General Fund	1,227,100	1,233,400
26 Restricted Funds	1,242,100	1,217,000

1 **5. HORSE PARK COMMISSION**

	2026-27	2027-28
3 General Fund	1,701,300	1,666,900
4 Restricted Funds	12,801,700	12,964,300
5 TOTAL	14,503,000	14,631,200

6 **(1) Training Incentive Payments:** Notwithstanding KRS 15.460(1), included in the
 7 above Restricted Funds appropriation is \$4,653 in fiscal year 2026-2027 and \$4,746 in fiscal
 8 year 2027-2028 for each participant for training incentive payments.

9 **6. STATE FAIR BOARD**

	2026-27	2027-28
11 General Fund	6,761,700	6,856,800
12 Restricted Funds	58,050,000	60,317,600
13 TOTAL	64,811,700	67,174,400

14 **(1) State Fair Board Property Improvements:** Notwithstanding any statute to the
 15 contrary, the State Fair Board shall give preference to Kentucky businesses to make
 16 improvements to State Fair Board properties for hotel development. The Board shall recommend
 17 the participation of Kentucky-based businesses and shall also recommend the participation of
 18 other Kentucky-based businesses offering solutions to accomplish the goal of improving hotel
 19 development. For the purposes of this subsection, "Kentucky-based business" means a business
 20 that has employees working in Kentucky and that operates a principal executive office in
 21 Kentucky from which those employees, other offices, and affiliated entities are directed and
 22 controlled.

23 **(2) Public-Private Partnerships:** Notwithstanding KRS 45A.077(8) and Part II, (8) of
 24 this Act, the utilization of the public-private partnership delivery method for State Fair Board
 25 projects of at least \$25,000,000 does not need to be explicitly authorized by the General
 26 Assembly.

27 **(3) Kentucky Exposition Center Facility Expansion & Staffing:** Included in the above

1 Restricted Funds appropriations is \$1,720,600 in fiscal year 2026-2027 and \$3,740,100 in 2027-
 2 2028 to support the Kentucky Exposition Center facility expansion and staffing.

3 **(4) Rental Services and Increased Contract Costs:** Included in the above Restricted
 4 Funds appropriations is \$950,500 in each fiscal year to support rental services and increased
 5 contract costs.

6 **7. FISH AND WILDLIFE RESOURCES**

	2026-27	2027-28
8 Restricted Funds	57,212,300	56,566,200
9 Federal Funds	27,415,400	27,769,800
10 TOTAL	84,627,700	84,336,000

11 **(1) Fish and Wildlife Resources Peace Officers' Stipend:** Notwithstanding KRS
 12 15.460(1), included in the above Restricted Funds appropriation is \$4,653 in fiscal year 2026-
 13 2027 and \$4,746 in fiscal year 2027-2028 for each participant for training incentive payments.

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

18 **8. HISTORICAL SOCIETY**

	2026-27	2027-28
20 General Fund	7,752,700	7,826,500
21 Restricted Funds	464,600	363,400
22 Federal Funds	122,000	122,000
23 TOTAL	8,339,300	8,311,900

24 **9. ARTS COUNCIL**

	2026-27	2027-28
26 General Fund	1,776,000	1,747,000
27 Restricted Funds	76,400	68,200

1	Federal Funds	827,800	834,800
2	TOTAL	2,680,200	2,650,000

3 **10. HERITAGE COUNCIL**

4		2026-27	2027-28
5	General Fund	1,747,500	1,737,000
6	Restricted Funds	697,200	660,200
7	Federal Funds	1,054,700	1,070,400
8	TOTAL	3,499,400	3,467,600

9 (1) **American Battlefield Trust:** Notwithstanding KRS 45.229, any unexpended balance
 10 from the appropriation set forth in 2022 Ky. Acts ch. 199, Part I, L., 10., (2) shall not lapse and
 11 shall carry forward.

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

13		2026-27	2027-28
14	General Fund	597,600	579,000

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

16		2026-27	2027-28
17	General Fund	92,630,300	89,948,400
18	Restricted Funds	199,391,200	202,492,200
19	Federal Funds	29,419,900	29,797,000
20	TOTAL	321,441,400	322,237,600

21 **N. BUDGET RESERVE TRUST FUND**

22 **Budget Unit**

23 **1. BUDGET RESERVE TRUST FUND**

24		2026-27	2027-28
25	General Fund	296,581,400	50,413,900

26 **PART II**

27 **CAPITAL PROJECTS BUDGET**

1 **(1) Capital Construction Fund Appropriations and Reauthorizations:** Moneys in the
2 Capital Construction Fund are appropriated for the following capital projects subject to the
3 conditions and procedures in this Act. Items listed without appropriated amounts are previously
4 authorized for which no additional amount is required. These items are listed in order to continue
5 their current authorization into the 2026-2028 fiscal biennium. Unless otherwise specified,
6 reauthorized projects shall conform to the original authorization enacted by the General
7 Assembly.

8 **(2) Expiration of Existing Line-Item Capital Construction Projects:** All
9 appropriations to existing line-item capital construction and information technology projects
10 expire on June 30, 2026, unless specifically reauthorized in this Act with the following
11 exceptions:

12 (a) A construction or purchase contract for the project shall have been awarded by June
13 30, 2026;

14 (b) Permanent financing or a short-term line of credit sufficient to cover the total
15 authorized project scope shall have been obtained in the case of projects authorized for bonds, if
16 the authorized project completes an initial draw on the line of credit within the fiscal biennium
17 immediately subsequent to the original authorization; and

18 (c) Grant or loan agreements, if applicable, shall have been finalized and properly signed
19 by all necessary parties by June 30, 2026.

20 Notwithstanding the criteria set forth in this subsection and KRS 45.229 and 45.770(5)(d),
21 funds appropriated to 2022-2024 and 2024-2026 fiscal biennia maintenance pools shall not lapse
22 and shall carry forward.

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

1 **(4) Appropriations for Projects Not Line-Itemized:** Inasmuch as the identification of
2 specific projects in a variety of areas of the state government cannot be ascertained with absolute
3 certainty at this time, amounts are appropriated for specific purposes to projects which are not
4 individually identified in this Act in the following areas: Kentucky Infrastructure Authority
5 Water and Sewer projects; Flood Control projects; Repair of State-Owned Dams; Guaranteed
6 Energy Savings Performance Contract projects; Wetland and Stream Mitigation projects;
7 maintenance pools; Economic Development projects, which shall include authorization for the
8 High-Tech Construction Pool and the High-Tech Investment Pool; Postsecondary Education
9 pools; Legacy System Modernization Pool; State Schools HVAC Pool; State Schools Safety and
10 Security Pool; State Parks Improvement; Fish and Wildlife Land Acquisition Pool; Kentucky
11 Exposition Center Paving Pool; Wastewater Treatment Upgrades Pool; State Parks Utility
12 Infrastructure Replacement Pool; and State Fair Board Property Improvements. Notwithstanding
13 any statute to the contrary, projects estimated to cost \$1,000,000 and over and equipment
14 estimated to cost \$200,000 and over shall be reported to the Capital Projects and Bond Oversight
15 Committee.

16 **(5) Capital Construction and Equipment Purchase Contingency Account:** If funds in
17 the Capital Construction and Equipment Purchase Contingency Account are not sufficient, then
18 expenditures of the fund are to be paid first from the General Fund Surplus Account (KRS
19 48.700), if available, or from the Budget Reserve Trust Fund Account (KRS 48.705), subject to
20 the conditions and procedures provided in this Act.

21 **(6) Emergency Repair, Maintenance, and Replacement Account:** If funds in the
22 Emergency Repair, Maintenance, and Replacement Account are not sufficient, then up to
23 \$2,500,000 of expenditures of the fund are to be paid first from the General Fund Surplus
24 Account (KRS 48.700), if available, or from the Budget Reserve Trust Fund Account (KRS
25 48.705), subject to the conditions and procedures provided in this Act.

26 **(7) Appropriation-Supported Debt:** To lower the cost of borrowing, the agencies
27 identified in KRS 45A.850(1)(a) and (2)(a) are authorized to refinance appropriation-supported

1 debt obligations that have previously been issued and for which the Commonwealth is currently
 2 making lease-rental payments to meet the current debt service requirements. Such action is
 3 authorized provided that the principal amount of any such debt obligation is not increased and
 4 the term of the debt obligation is not extended. Any such refinancing shall still be subject to the
 5 requirements of KRS 45.750 to 45.810 for reporting to the Capital Projects and Bond Oversight
 6 Committee.

7 **(8) Public-Private Partnerships:** Notwithstanding KRS 45.763(3) and 45A.077(8), the
 8 utilization of the public-private partnership delivery method for projects of at least \$1,000,000
 9 shall be authorized by the General Assembly.

10 **A. GENERAL GOVERNMENT**

11 Budget Units	2026-27	2027-28
12 1. VETERANS' AFFAIRS		
13 001. Radcliff Veterans Center HVAC System Replacement Additional		
14 Bond Funds	16,000,000	-0-
15 002. Maintenance Pool - 2026-2028		
16 Investment Income	1,000,000	1,000,000
17 003. Expand Columbarium Wall - Kentucky Veterans Cemetery Northeast		
18 Federal Funds	-0-	2,000,000
19 2. KENTUCKY INFRASTRUCTURE AUTHORITY		
20 001. KIA Fund A - Federally Assisted Wastewater Program		
21 Federal Funds	75,502,000	20,223,000
22 Bond Funds	14,560,000	4,045,000
23 Agency Bonds	30,000,000	-0-
24 TOTAL	120,062,000	24,268,000
25 002. KIA Fund F - Drinking Water Revolving Loan Program		
26 Federal Funds	109,906,000	18,294,000
27 Bond Funds	13,124,000	3,659,000

1	Agency Bonds	30,000,000	-0-
2	TOTAL	153,030,000	21,953,000
3	3. MILITARY AFFAIRS		
4	001. Armory Installation Facility Maintenance Pool - 2026-2028		
5	Investment Income	4,000,000	4,000,000
6	002. Kentucky Youth Challenge Academies Maintenance Pool - 2026-2028		
7	Investment Income	1,000,000	1,000,000
8	003. Bluegrass Station Facility Maintenance Pool - 2026-2028		
9	Restricted Funds	1,000,000	1,000,000
10	004. Construct Wendell H. Ford Regional Training Center Unaccompanied Housing		
11	Advanced Skills Training		
12	Federal Funds	21,000,000	-0-
13	005. Construct Multi-Purpose Building Bluegrass Station		
14	Other Funds	15,000,000	-0-
15	006. Construct Civil Support Team Facility Additional Reauthorization (\$13,200,000		
16	Federal Funds)		
17	Federal Funds	11,400,000	-0-
18	007. Construct New Barracks at Wendell H. Ford Regional Training Center		
19	Federal Funds	8,000,000	-0-
20	008. Construct Readiness Center Somerset Additional Reauthorization (\$24,750,000		
21	Federal Funds, \$8,259,000 Bond Funds)		
22	Federal Funds	-0-	4,898,000
23	Investment Income	-0-	1,633,000
24	TOTAL	-0-	6,531,000
25	009. Construct Jackson Field Maintenance Shop Additional Reauthorization (\$15,000,000		
26	Federal Funds)		
27	Federal Funds	5,000,000	-0-

1	010. Ashland Armory Restoration Phase 1		
2	Federal Funds	2,000,000	-0-
3	Investment Income	2,000,000	-0-
4	TOTAL	4,000,000	-0-
5	011. Construct Armory 4 Frankfort Additional Reauthorization (\$3,000,000 Federal		
6	Funds, \$1,000,000 Bond Funds)		
7	Federal Funds	2,000,000	-0-
8	Investment Income	2,000,000	-0-
9	TOTAL	4,000,000	-0-
10	012. Demolish Bluegrass Station Boiler Plant		
11	Restricted Funds	4,000,000	-0-
12	013. Construct and Extend Electric Bluegrass Station		
13	Restricted Funds	3,500,000	-0-
14	014. Construct Fitness Center Facility Wendell H. Ford Regional Training Center		
15	Additional Reauthorization (\$5,000,000 Federal Funds)		
16	Federal Funds	3,000,000	-0-
17	015. Kentucky Army National Guard Training Site Master Plan		
18	Federal Funds	2,000,000	-0-
19	016. Construct Road Improvements Bluegrass Station		
20	Restricted Funds	1,500,000	-0-
21	017. Construct New Barracks at Harold L. Disney Training Site Additional		
22	Reauthorization (\$3,000,000 Federal Funds)		
23	Federal Funds	1,000,000	-0-
24	018. Construct Harold L. Disney Training Site Drainage Improvements Reauthorization		
25	(\$2,000,000 Federal Funds)		
26	019. Construct Improve Sewer System Bluegrass Station Reauthorization (\$5,000,000		
27	Restricted Funds)		

1	020. Extension of Utilities Wendell H. Ford Regional Training Center Reauthorization		
2	(\$2,000,000 Federal Funds)		
3	021. Construct Support Building Wendell H. Ford Regional Training Center		
4	Reauthorization (\$3,000,000 Federal Funds)		
5	4. DEPARTMENT FOR LOCAL GOVERNMENT		
6	001. Flood Control Local Match		
7	Investment Income	6,000,000	6,000,000
8	5. ATTORNEY GENERAL		
9	001. Franklin County - Lease		
10	002. Upgrade Technology Additional Reauthorization (\$2,000,000 Bond Funds)		
11	Investment Income	600,000	-0-
12	6. COMMONWEALTH'S ATTORNEYS		
13	001. Jefferson County - Lease		
14	7. TREASURY		
15	001. Replace HVAC Leibert Units		
16	Investment Income	354,000	-0-
17	002. Xerox Check Printer - Secondary		
18	Investment Income	66,000	-0-
19	8. AGRICULTURE		
20	001. Large Capacity Scale Trucks		
21	Restricted Funds	800,000	-0-
22	002. Franklin County - Lease		
23	9. KENTUCKY PUBLIC PENSIONS AUTHORITY		
24	001. Pension Administration System Technology Modernization - Planning - Phase I		
25	Restricted Funds	-0-	15,000,000
26	10. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS		
27	a. Nursing		

1 documentation shall be the rationale for selection and expected economic development impact.

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

7	001. Economic Development Bond Programs - 2026-2028		
8	Bond Funds	5,000,000	5,000,000
9	002. High-Tech Construction/Investment Pool - 2026-2028		
10	Bond Funds	5,000,000	5,000,000
11	003. Kentucky Economic Development Finance Authority Loan Pool - 2026-2028		
12	Bond Funds	5,000,000	5,000,000

13 **C. DEPARTMENT OF EDUCATION**

14	Budget Units	2026-27	2027-28
15	1. OPERATIONS AND SUPPORT SERVICES		
16	001. Maintenance Pool - 2026-2028		
17	Investment Income	2,000,000	1,100,000
18	2. LEARNING AND RESULTS SERVICES		
19	001. State Schools Electrical Upgrades		
20	Bond Funds	5,150,000	-0-
21	002. State Schools Lighting Upgrades		
22	Bond Funds	2,066,000	-0-
23	D. EDUCATION AND LABOR CABINET		
24	Budget Units	2026-27	2027-28
25	1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT		
26	001. Maintenance Pool - 2026-2028		
27	Investment Income	2,000,000	2,000,000

1	2. KENTUCKY EDUCATIONAL TELEVISION		
2	001. Maintenance Pool - 2026-2028		
3	Investment Income	750,000	750,000
4	002. KET Capitol Production Center Maintenance Pool - 2026-2028		
5	Investment Income	500,000	500,000
6	3. LIBRARIES AND ARCHIVES		
7	a. General Operations		
8	001. Franklin County - Lease		
9	4. WORKFORCE DEVELOPMENT		
10	001. Maintenance Pool - 2026-2028		
11	Investment Income	700,000	700,000
12	002. Hardin County - Lease		
13	003. Kenton County - Lease		
14	5. DISABILITY DETERMINATIONS		
15	001. Franklin County - Lease		
16	E. ENERGY AND ENVIRONMENT CABINET		
17	Budget Units	2026-27	2027-28
18	1. SECRETARY		
19	001. Maintenance Pool - 2026-2028		
20	Investment Income	500,000	500,000
21	2. ENVIRONMENTAL PROTECTION		
22	001. State-Owned Dam Repair - 2026-2028		
23	Bond Funds	21,060,000	-0-
24	002. State Superfund Sites - 2026-2028		
25	Investment Income	1,000,000	1,000,000
26	3. NATURAL RESOURCES		
27	001. Replace Unsafe Fire Equipment		

1	Restricted Funds	1,556,000	-0-
2	F. FINANCE AND ADMINISTRATION CABINET		
3	Budget Units	2026-27	2027-28
4	1. CONTROLLER		
5	001. Upgrade & Enhancement eMARS Systems Additional		
6	Bond Funds	3,765,000	-0-
7	2. FACILITIES AND SUPPORT SERVICES		
8	001. Maintenance Pool - 2026-2028		
9	Investment Income	7,500,000	7,500,000
10	002. Renovate Cabinet for Human Resources Phase 2		
11	Investment Income	8,000,000	-0-
12	003. Guaranteed Energy Savings Performance Contracts		
13	004. Restore Old State Capitol Annex		
14	Bond Funds	37,100,000	-0-
15	005. Deferred Maintenance Historic Properties		
16	Investment Income	3,000,000	-0-
17	006. Asphalt Pool		
18	Investment Income	1,500,000	-0-
19	007. Roof Pool		
20	Investment Income	2,000,000	-0-
21	008. Replace Capitol Parking Structure		
22	Bond Funds	126,000,000	-0-
23	009. Replace Capitol Terraces		
24	Bond Funds	42,000,000	-0-
25	010. Capitol Annex Renovation Additional Reauthorization (\$168,000,000 Bond Funds)		
26	Bond Funds	175,000,000	-0-
27	3. COMMONWEALTH OFFICE OF TECHNOLOGY		

1	001. Kentucky from Above		
2	Investment Income	6,000,000	6,000,000
3	002. Enterprise Application and AI Inventory System		
4	Investment Income	4,000,000	2,000,000
5	003. Alternate Data Center - Lease		
6	G. HEALTH AND FAMILY SERVICES CABINET		
7	Budget Units	2026-27	2027-28
8	1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT		
9	001. Maintenance Pool - 2026-2028		
10	Investment Income	10,700,000	10,700,000
11	2. BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL		
12	DISABILITIES		
13	001. Oakwood Renovate/Replace Cottages Phase IV		
14	Investment Income	12,616,000	-0-
15	002. Western State Nursing Facility Renovations II		
16	Investment Income	6,621,000	-0-
17	003. Hazelwood Upgrade Elevators		
18	Investment Income	2,880,000	-0-
19	004. Western State Hospital Repair/Replace Cooling Towers		
20	Investment Income	1,920,000	-0-
21	3. PUBLIC HEALTH		
22	001. Jefferson County - Lease		
23	4. COMMUNITY BASED SERVICES		
24	001. Kenton County - Lease		
25	002. Fayette County - Lease		
26	003. Warren County - Lease		
27	004. Daviess County - Lease		

- 1 **005.** Perry County - Lease
- 2 **006.** Boone County - Lease
- 3 **007.** Hardin County - Lease
- 4 **008.** Boyd County - Lease
- 5 **009.** Campbell County - Lease
- 6 **010.** Johnson County - Lease
- 7 **011.** Floyd County - Lease
- 8 **012.** Shelby County - Lease
- 9 **013.** Greenup County - Lease
- 10 **014.** Muhlenberg County - Lease
- 11 **015.** Madison County - Lease
- 12 **016.** Marshall County - Lease
- 13 **017.** Harlan County - Lease
- 14 **018.** Pulaski County - Lease
- 15 **019.** Jefferson County - Lease

H. JUSTICE AND PUBLIC SAFETY CABINET

	Budget Units	2026-27	2027-28
18	1. JUSTICE ADMINISTRATION		
19	001. Northern Kentucky Medical Examiners Office - Lease		
20	2. CRIMINAL JUSTICE TRAINING		
21	001. Construct New Flat Track - Madisonville		
22	Restricted Funds	-0-	13,101,000
23	002. Maintenance Pool - 2026-2028		
24	Restricted Funds	4,500,000	4,500,000
25	3. JUVENILE JUSTICE		
26	001. Design Female Detention Facility - Central Kentucky		
27	Bond Funds	-0-	4,500,000

1	002. Maintenance Pool - 2026-2028		
2	Investment Income	7,200,000	7,200,000
3	003. Franklin County - Lease		
4	4. STATE POLICE		
5	001. Maintenance Pool - 2026-2028		
6	Investment Income	6,500,000	6,500,000
7	002. Posts 7 (Richmond) and 10 (Harlan) Construction Additional		
8	Investment Income	8,586,000	-0-
9	003. Northern Kentucky Crime Lab - Lease		
10	5. CORRECTIONS		
11	a. Adult Correctional Institutions		
12	001. Maintenance Pool - 2026-2028		
13	Investment Income	20,000,000	20,000,000
14	002. Mechanical, Electrical, Plumbing Upgrades and Replacement Pool		
15	Investment Income	10,000,000	10,000,000
16	003. Demolition Kentucky State Reformatory Additional Reauthorization and		
17	Reallocation (\$9,776,000 Bond Funds)		
18	Bond Funds	17,010,000	-0-
19	(1) Reauthorization and Reallocation: The above project is authorized from a		
20	reallocation of the project set forth in 2018 Ky. Acts ch. 169, Part II, H., 4., a., 003.		
21	004. Replace Kentucky State Penitentiary - Utilities Infrastructure Additional		
22	Investment Income	15,758,000	-0-
23	005. Repair Northpoint Training Center - Exterior Dorms Masonry Tuckpoint Additional		
24	Bond Funds	11,787,000	-0-
25	006. Renovate Northpoint Training Center - Restricted Housing Unit Additional		
26	Investment Income	3,500,000	-0-
27	007. Southeast State Correctional Complex - Lease		

1	2. EASTERN KENTUCKY UNIVERSITY			
2	001. Asset Preservation Pool - 2026-2028			
3	Bond Funds	-0-	10,000,000	8,189,000
4	002. Construct Health Innovations Center			
5	Agency Bonds	-0-	330,000,000	-0-
6	003. Construct University Hotel and Conference Center			
7	Other Funds	-0-	130,000,000	-0-
8	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
9	004. IT Hardware Software Networking Systems Pool			
10	Restricted Funds	-0-	24,000,000	-0-
11	005. Maintenance Pool - 2026-2028			
12	Restricted Funds	-0-	20,000,000	-0-
13	006. Aviation Acquisition Pool - 2026-2028			
14	Restricted Funds	-0-	5,000,000	-0-
15	Bond Funds	-0-	10,000,000	-0-
16	TOTAL	-0-	15,000,000	-0-
17	007. Property Acquisitions Pool			
18	Restricted Funds	-0-	5,000,000	-0-
19	Other Funds	-0-	5,000,000	-0-
20	TOTAL	-0-	10,000,000	-0-
21	008. Upgrade and Improve Residence Halls Pool			
22	Restricted Funds	-0-	10,000,000	-0-
23	009. Scientific and Research Equipment Pool			
24	Restricted Funds	-0-	4,000,000	-0-
25	Federal Funds	-0-	2,200,000	-0-
26	Other Funds	-0-	2,200,000	-0-
27	TOTAL	-0-	8,400,000	-0-

1	010. Repurpose and Renovate Commonwealth Hall			
2	Restricted Funds	-0-	6,000,000	-0-
3	011. Natural Area Improvement Pool			
4	Restricted Funds	-0-	1,000,000	-0-
5	012. Improve Campus Pedestrian, Parking and Transportation Pool Reauthorization			
6	(\$8,000,000 Agency Bonds, \$3,000,000 Restricted Funds, \$3,000,000 Other Funds)			
7	013. Athletics Capital Improvements Pool Reauthorization (\$25,000,000 Agency Bonds,			
8	\$25,000,000 Restricted Funds, \$25,000,000 Other Funds)			
9	014. Maintain/Expand Begley Building Reauthorization (\$40,000,000 Agency Bonds)			
10	015. Asset Preservation Pool - 2022-2024 Reauthorization (\$8,222,000 Restricted Funds)			
11	016. Lease - Madison County - Student Housing			
12	017. Lease - Madison County - Land			
13	018. Lease - Multi-Property-Multi-Use 1			
14	019. Lease - Multi-Property-Multi-Use 2			
15	020. Lease - New Housing Space			
16	021. Lease - Aviation			
17	022. Guaranteed Energy Savings Performance Contracts			
18	3. KENTUCKY STATE UNIVERSITY			
19	001. Asset Preservation Pool - 2026-2028			
20	Bond Funds	-0-	10,000,000	2,360,000
21	002. Construct Health Sciences Center			
22	Federal Funds	-0-	-0-	4,000,000
23	Bond Funds	-0-	-0-	50,000,000
24	TOTAL	-0-	-0-	54,000,000
25	003. Acquire Land			
26	Restricted Funds	-0-	1,500,000	-0-
27	Federal Funds	-0-	3,500,000	-0-

1	TOTAL	-0-	5,000,000	-0-
2	004. Asset Preservation Pool - 2022-2024 Reauthorization (\$2,412,000 Restricted Funds)			
3	4. MOREHEAD STATE UNIVERSITY			
4	001. Asset Preservation Pool - 2026-2028			
5	Bond Funds	-0-	10,000,000	5,065,000
6	002. Construct New Applied Science Building			
7	Bond Funds	-0-	-0-	79,400,000
8	003. Construct New Residence Hall #3			
9	Bond Funds	-0-	10,000,000	-0-
10	Agency Bonds	-0-	10,000,000	-0-
11	TOTAL	-0-	20,000,000	-0-
12	004. Construct New Residence Hall #2 Reauthorization (\$40,350,000 Agency Bonds)			
13	005. Guaranteed Energy Savings Performance Contracts			
14	5. MURRAY STATE UNIVERSITY			
15	001. Asset Preservation Pool - 2026-2028			
16	Bond Funds	-0-	10,000,000	7,073,000
17	002. Construct Emergency Veterinary and Teaching Clinic			
18	Agency Bonds	-0-	48,500,000	-0-
19	003. Construct/Renovate Dining Facility Additional Reauthorization (\$30,000,000			
20	Restricted Funds)			
21	Restricted Funds	-0-	5,000,000	-0-
22	004. Construct Emergency Generator Docking Station(s) for Residence Halls			
23	Restricted Funds	-0-	2,000,000	-0-
24	005. Replace Wilson Hall Roof			
25	Restricted Funds	-0-	1,100,000	-0-
26	006. Replace Alexander Hall Addition Roof			
27	Restricted Funds	-0-	1,100,000	-0-

1	007. Replace Racer Arena Roof			
2	Restricted Funds	-0-	1,100,000	-0-
3	008. Replace College Courts Apartments Reauthorization (\$15,000,000 Agency Bonds)			
4	009. Athletic Facilities Improvements Pool Reauthorization (\$20,000,000 Restricted			
5	Funds, \$20,000,000 Agency Bonds)			
6	010. Asset Preservation Pool - Residence Halls Reauthorization (\$6,000,000 Agency			
7	Bonds)			
8	011. Acquire Agriculture Research Farm Land Reauthorization (\$1,254,000 Restricted			
9	Funds)			
10	012. Renovate Residence Hall Interior Reauthorization (\$1,674,000 Agency Bonds)			
11	013. Renovate Residence Hall Electrical System Reauthorization (\$4,369,000 Agency			
12	Bonds)			
13	014. Acquire Property Reauthorization (\$4,180,000 Restricted Funds)			
14	015. Replace Residence Hall Domestic Water Piping Reauthorization (\$1,195,000 Agency			
15	Bonds)			
16	016. Renovate Residence Hall HVAC System Reauthorization (\$1,661,000 Agency			
17	Bonds)			
18	017. Guaranteed Energy Savings Performance Contracts			
19	6. NORTHERN KENTUCKY UNIVERSITY			
20	001. Asset Preservation Pool - 2026-2028			
21	Bond Funds	-0-	10,000,000	6,951,000
22	002. US 27 Mixed Use Development			
23	Other Funds	-0-	200,000,000	-0-
24	(1) Authorization: The above authorization is approved pursuant to KRS 45A.077.			
25	003. Renovate Business Academic Center			
26	Agency Bonds	-0-	150,000,000	-0-
27	Other Funds	-0-	5,000,000	-0-

1 TOTAL -0- 155,000,000 -0-

2 **004.** Construct Sports Complex

3 Other Funds -0- 98,500,000 -0-

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

5 **005.** Expand Multi-Purpose Events Center

6 Other Funds -0- 32,000,000 -0-

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

8 **006.** Enhance Online Programs Additional

9 Restricted Funds -0- 9,500,000 -0-

10 **007.** Upgrade IT Infrastructure Pool - 2026-2028

11 Restricted Funds -0- 2,950,000 -0-

12 **008.** Replace Recreation Field Turf

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

14 **009.** Acquire Land/Master Plan 2010-2012 Reauthorization (\$17,500,000 Agency Bonds,
15 \$4,000,000 Restricted Funds, \$4,000,000 Other Funds)

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

17 **010.** Expand/Renovate Soccer Complex Reauthorization (\$16,000,000 Agency Bonds,
18 \$36,000,000 Other Funds)

19 **011.** Renovate Residence Halls Reauthorization (\$15,000,000 Agency Bonds)

20 **012.** Renew/Renovate Landrum Academic Center Reauthorization (\$49,000,000 Bond
21 Funds, \$3,000,000 Other Funds)

22 **013.** Renew/Repair Parking Garage Pool Reauthorization (\$3,000,000 Agency Bonds)

23 **014.** Replace Event Center Technology Reauthorization (\$4,500,000 Other Funds)

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

25 **015.** Asset Preservation Pool - 2022-2024 Reauthorization (\$1,170,300 Restricted Funds)

26 **016.** Guaranteed Energy Savings Performance Contracts

27 **7. UNIVERSITY OF KENTUCKY**

1 **(1) University of Kentucky Acquisitions:** Notwithstanding any statute to the contrary,
 2 the University of Kentucky or one of its affiliated corporations, for the benefit of the University’s
 3 multifaceted education, healthcare, research, and service mission shall be permitted to assume
 4 any and all leases, debt instruments, and liabilities associated with any mergers, acquisitions, or
 5 partnerships that are hereby authorized in the 2026-2028 Budget of the Commonwealth.
 6 Assumption of leases and debt instruments shall be reported to the Capital Projects and Bond
 7 Oversight Committee.

8 **(2) Public-Private Partnerships:** Notwithstanding Part II, (8) of this Act, and KRS
 9 45A.077(8), the utilization of the public-private partnership delivery method for projects of at
 10 least \$25,000,000 does not need to be explicitly authorized by the General Assembly. Pursuant to
 11 KRS 45.763(3), all capital projects utilizing the public-private partnership delivery method must
 12 be reviewed and approved by the Capital Projects and Bond Oversight Committee after
 13 negotiations are complete but prior to beginning work on the project.

14 **001. Asset Preservation Pool - 2026-2028**

15 Bond Funds	-0-	10,000,000	24,330,000
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16 **002. Construct/Improve Medical/Administrative Facility 3 Phase 2**

17 Restricted Funds	-0-	2,000,000,000	-0-
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18 **003. Construct/Improve Hamburg Medical Park**

19 Restricted Funds	-0-	300,000,000	-0-
20 Other Funds	-0-	500,000,000	-0-
21 TOTAL	-0-	800,000,000	-0-

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

23 **004. Acquire/Improve Medical/Administrative Facility 2**

24 Restricted Funds	-0-	400,000,000	-0-
25 Other Funds	-0-	400,000,000	-0-
26 TOTAL	-0-	800,000,000	-0-

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

1	005. Construct/Improve Arts and Innovation Complex			
2	Restricted Funds	-0-	200,000,000	-0-
3	Agency Bonds	-0-	175,000,000	-0-
4	Other Funds	-0-	400,000,000	-0-
5	TOTAL	-0-	775,000,000	-0-

6 **(1) Authorization:** The above authorization is approved pursuant to KRS 45.763 and
 7 45A.077.

8	006. Construct Fan Experience Districts			
9	Restricted Funds	-0-	75,000,000	-0-
10	Other Funds	-0-	625,000,000	-0-
11	TOTAL	-0-	700,000,000	-0-

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

13	007. Construct/Improve Medical/Administrative Facility 8			
14	Restricted Funds	-0-	200,000,000	-0-
15	Other Funds	-0-	400,000,000	-0-
16	TOTAL	-0-	600,000,000	-0-

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

18	008. Construct/Improve Medical/Administrative Facility 7			
19	Restricted Funds	-0-	300,000,000	-0-
20	Other Funds	-0-	300,000,000	-0-
21	TOTAL	-0-	600,000,000	-0-

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

23	009. Construct Multi-Use Complex 1			
24	Restricted Funds	-0-	50,000,000	-0-
25	Agency Bonds	-0-	50,000,000	-0-
26	Other Funds	-0-	500,000,000	-0-
27	TOTAL	-0-	600,000,000	-0-

1	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
2	010. Construct/Improve Medical/Administrative Facility 6			
3	Other Funds	-0-	500,000,000	-0-
4	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
5	011. Construct/Improve Medical/Administrative Facility 5			
6	Restricted Funds	-0-	500,000,000	-0-
7	012. Construct/Improve Medical/Administrative Facility 4			
8	Restricted Funds	-0-	500,000,000	-0-
9	013. Acquire/Partnership Medical System 2			
10	Restricted Funds	-0-	500,000,000	-0-
11	014. Acquire/Improve Medical/Administrative Facility 4			
12	Restricted Funds	-0-	500,000,000	-0-
13	015. Improve Central Plants/Utilities Infrastructure - Phase 2			
14	Restricted Funds	-0-	100,000,000	-0-
15	Other Funds	-0-	400,000,000	-0-
16	TOTAL	-0-	500,000,000	-0-
17	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
18	016. Construct/Improve Student Housing			
19	Restricted Funds	-0-	75,000,000	-0-
20	Other Funds	-0-	400,000,000	-0-
21	TOTAL	-0-	475,000,000	-0-
22	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
23	017. Construct/Improve Utilities Infrastructure Hamburg			
24	Restricted Funds	-0-	200,000,000	-0-
25	Other Funds	-0-	200,000,000	-0-
26	TOTAL	-0-	400,000,000	-0-
27	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			

1	018. Construct/Improve Utilities Infrastructure UK HealthCare			
2	Restricted Funds	-0-	200,000,000	-0-
3	Other Funds	-0-	200,000,000	-0-
4	TOTAL	-0-	400,000,000	-0-
5	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
6	019. Construct/Improve Medical/Administrative Facility 2			
7	Restricted Funds	-0-	200,000,000	-0-
8	Other Funds	-0-	200,000,000	-0-
9	TOTAL	-0-	400,000,000	-0-
10	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
11	020. Improve UK HealthCare IT Systems II			
12	Restricted Funds	-0-	400,000,000	-0-
13	021. Construct Research Facility			
14	Restricted Funds	-0-	50,000,000	-0-
15	Federal Funds	-0-	65,000,000	-0-
16	Bond Funds	-0-	200,000,000	-0-
17	Agency Bonds	-0-	50,000,000	-0-
18	TOTAL	-0-	365,000,000	-0-
19	022. Acquire/Partnership Medical System 1			
20	Restricted Funds	-0-	350,000,000	-0-
21	023. Construct/Improve Medical/Administrative Facility 10			
22	Restricted Funds	-0-	150,000,000	-0-
23	Other Funds	-0-	150,000,000	-0-
24	TOTAL	-0-	300,000,000	-0-
25	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
26	024. Acquire/Improve Medical/Administrative Facility 1			
27	Restricted Funds	-0-	300,000,000	-0-

1	025. Improve Campus Parking and Transportation System			
2	Restricted Funds	-0-	50,000,000	-0-
3	Other Funds	-0-	250,000,000	-0-
4	TOTAL	-0-	300,000,000	-0-
5	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
6	026. Construct/Improve Dining Facilities			
7	Restricted Funds	-0-	150,000,000	-0-
8	Other Funds	-0-	150,000,000	-0-
9	TOTAL	-0-	300,000,000	-0-
10	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
11	027. Improve UK HealthCare Facilities - UK Chandler Hospital			
12	Restricted Funds	-0-	250,000,000	-0-
13	028. Construct/Improve Parking Facility 1			
14	Restricted Funds	-0-	125,000,000	-0-
15	Other Funds	-0-	125,000,000	-0-
16	TOTAL	-0-	250,000,000	-0-
17	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
18	029. Construct/Improve Academic/Research Facility 2			
19	Restricted Funds	-0-	250,000,000	-0-
20	030. Construct/Improve Academic/Research Facility 1			
21	Restricted Funds	-0-	250,000,000	-0-
22	031. Construct/Improve Research/Data Center			
23	Other Funds	-0-	200,000,000	-0-
24	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
25	032. Expand UK HealthCare IT Systems			
26	Restricted Funds	-0-	200,000,000	-0-
27	033. Improve Utilities Infrastructure UK St. Claire			

1	Restricted Funds	-0-	100,000,000	-0-
2	Other Funds	-0-	100,000,000	-0-
3	TOTAL	-0-	200,000,000	-0-

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

5 **034.** Improve Parking/Transportation Systems UK St. Claire

6	Restricted Funds	-0-	100,000,000	-0-
7	Other Funds	-0-	100,000,000	-0-
8	TOTAL	-0-	200,000,000	-0-

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

10 **035.** Construct/Improve Medical/Administrative Facility 9

11	Restricted Funds	-0-	100,000,000	-0-
12	Other Funds	-0-	100,000,000	-0-
13	TOTAL	-0-	200,000,000	-0-

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

15 **036.** Construct/Improve Parking/Transportation System Hamburg

16	Other Funds	-0-	200,000,000	-0-
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17 **(1) Authorization:** The above authorization is approved pursuant to KRS 45.763.

18 **037.** Improve Utilities Infrastructure UK King's Daughters

19	Restricted Funds	-0-	100,000,000	-0-
20	Other Funds	-0-	100,000,000	-0-
21	TOTAL	-0-	200,000,000	-0-

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

23 **038.** Improve UK King's Daughters Medical Campus

24	Restricted Funds	-0-	200,000,000	-0-
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25 **039.** Improve Parking/Transportation Systems UK HealthCare

26	Other Funds	-0-	200,000,000	-0-
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27 **(1) Authorization:** The above authorization is approved pursuant to KRS 45.763.

1	040. Implement Land Use Plan 1			
2	Restricted Funds	-0-	200,000,000	-0-
3	041. Construct Recreation/Wellness Center			
4	Restricted Funds	-0-	100,000,000	-0-
5	Other Funds	-0-	100,000,000	-0-
6	TOTAL	-0-	200,000,000	-0-
7	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
8	042. Construct/Improve Club Area - Kroger Field			
9	Restricted Funds	-0-	100,000,000	-0-
10	Other Funds	-0-	100,000,000	-0-
11	TOTAL	-0-	200,000,000	-0-
12	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
13	043. Construct Digital Village Building 3			
14	Restricted Funds	-0-	95,000,000	-0-
15	Other Funds	-0-	95,000,000	-0-
16	TOTAL	-0-	190,000,000	-0-
17	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
18	044. Construct/Improve Academic/Administrative Facility 1			
19	Restricted Funds	-0-	150,000,000	-0-
20	Agency Bonds	-0-	35,000,000	-0-
21	TOTAL	-0-	185,000,000	-0-
22	045. Facilities Renewal and Modernization			
23	Restricted Funds	-0-	125,000,000	-0-
24	Agency Bonds	-0-	40,000,000	-0-
25	TOTAL	-0-	165,000,000	-0-
26	046. Construct/Improve UK St. Claire Main Campus			
27	Restricted Funds	-0-	150,000,000	-0-

1	047. Acquire/Improve Medical/Administrative Facility 5			
2	Restricted Funds	-0-	150,000,000	-0-
3	048. Construct Cancer/Ambulatory Facility Phase 3			
4	Restricted Funds	-0-	150,000,000	-0-
5	049. Implement Land Use Plan 2			
6	Restricted Funds	-0-	150,000,000	-0-
7	050. Acquire E&G Enterprise 2			
8	Restricted Funds	-0-	150,000,000	-0-
9	051. Acquire E&G Enterprise 1			
10	Restricted Funds	-0-	150,000,000	-0-
11	052. Construct Hotel/Conference Center			
12	Other Funds	-0-	150,000,000	-0-
13	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
14	053. Construct/Improve Wildcat Coal Lodge			
15	Restricted Funds	-0-	75,000,000	-0-
16	Other Funds	-0-	75,000,000	-0-
17	TOTAL	-0-	150,000,000	-0-
18	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
19	054. Construct/Improve Academic/Administrative Facility 2			
20	Restricted Funds	-0-	150,000,000	-0-
21	055. Construct West End Zone Club Space Additional Reauthorization (\$50,000,000			
22	Other Funds)			
23	Restricted Funds	-0-	100,000,000	-0-
24	Other Funds	-0-	50,000,000	-0-
25	TOTAL	-0-	150,000,000	-0-
26	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
27	056. Improve Advanced Science and Technology Commercialization Center			

1	Restricted Funds	-0-	130,000,000	-0-
2	057. Construct/Improve Academic/Research Facility 4			
3	Restricted Funds	-0-	130,000,000	-0-
4	058. Improve Singletary Center			
5	Restricted Funds	-0-	130,000,000	-0-
6	059. Construct/Improve Dental Sciences Building			
7	Restricted Funds	-0-	130,000,000	-0-
8	060. Construct/Improve Academic/Research Facility 3			
9	Restricted Funds	-0-	125,000,000	-0-
10	061. Construct/Improve Parking Facility 2			
11	Other Funds	-0-	125,000,000	-0-
12	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
13	062. Improve Coldstream Research Campus			
14	Restricted Funds	-0-	60,000,000	-0-
15	Other Funds	-0-	60,000,000	-0-
16	TOTAL	-0-	120,000,000	-0-
17	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
18	063. Construct Agriculture Federal Research Facility I			
19	Federal Funds	-0-	108,000,000	-0-
20	064. Improve State Street Medical Facilities			
21	Restricted Funds	-0-	100,000,000	-0-
22	065. Improve Site/Civil Infrastructure UK King's Daughters			
23	Restricted Funds	-0-	100,000,000	-0-
24	066. Improve Building Systems UK King's Daughters			
25	Restricted Funds	-0-	100,000,000	-0-
26	067. Construct/Improve Building Systems Hamburg			
27	Restricted Funds	-0-	100,000,000	-0-

1	068. Acquire/Improve Service Core Systems UK King's Daughters			
2	Restricted Funds	-0-	100,000,000	-0-
3	069. Improve Parking/Transportation Systems UK King's Daughters			
4	Restricted Funds	-0-	100,000,000	-0-
5	070. Improve Clinical/Ambulatory Services Facilities			
6	Restricted Funds	-0-	100,000,000	-0-
7	071. Construct/Improve Recreation Services Space 1			
8	Restricted Funds	-0-	50,000,000	-0-
9	Other Funds	-0-	50,000,000	-0-
10	TOTAL	-0-	100,000,000	-0-
11	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
12	072. Construct/Improve Research Space			
13	Restricted Funds	-0-	100,000,000	-0-
14	073. Construct/Improve Athletics Facility 1			
15	Restricted Funds	-0-	50,000,000	-0-
16	Other Funds	-0-	50,000,000	-0-
17	TOTAL	-0-	100,000,000	-0-
18	074. Improve Student Center Space 2			
19	Restricted Funds	-0-	50,000,000	-0-
20	Other Funds	-0-	50,000,000	-0-
21	TOTAL	-0-	100,000,000	-0-
22	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
23	075. Construct/Improve Academic/Administrative Facility 3			
24	Restricted Funds	-0-	100,000,000	-0-
25	076. Construct Equine/Horticulture Campus			
26	Restricted Funds	-0-	90,000,000	-0-
27	077. Improve Gatton Business and Economics Building			

1	Restricted Funds	-0-	45,000,000	-0-
2	Agency Bonds	-0-	45,000,000	-0-
3	TOTAL	-0-	90,000,000	-0-
4	078. Improve Oswald Building			
5	Restricted Funds	-0-	88,500,000	-0-
6	079. Improve Chemistry/Physics Building			
7	Restricted Funds	-0-	88,000,000	-0-
8	080. Improve 4-H Camps			
9	Restricted Funds	-0-	80,000,000	-0-
10	081. Improve Fine Arts Building			
11	Restricted Funds	-0-	80,000,000	-0-
12	082. Improve King Library			
13	Restricted Funds	-0-	80,000,000	-0-
14	083. Improve Patterson Hall			
15	Restricted Funds	-0-	80,000,000	-0-
16	084. Improve Kastle Hall			
17	Restricted Funds	-0-	80,000,000	-0-
18	085. Improve Taylor Education Building			
19	Restricted Funds	-0-	80,000,000	-0-
20	086. Acquire Furnishings/Equipment UK HealthCare			
21	Restricted Funds	-0-	75,000,000	-0-
22	087. Construct/Improve Site/Civil Infrastructure Hamburg			
23	Restricted Funds	-0-	75,000,000	-0-
24	088. Construct/Improve Service Core Systems Hamburg			
25	Restricted Funds	-0-	75,000,000	-0-
26	089. Acquire/Improve Service Core Systems UK HealthCare			
27	Restricted Funds	-0-	75,000,000	-0-

1	090. Improve Markey Cancer Center Facilities			
2	Restricted Funds	-0-	75,000,000	-0-
3	091. Improve Building Systems UK HealthCare			
4	Restricted Funds	-0-	75,000,000	-0-
5	092. Construct Agriculture Research Facility 2			
6	Restricted Funds	-0-	75,000,000	-0-
7	093. Acquire Equipment/Furnishings Pool - Campus			
8	Restricted Funds	-0-	75,000,000	-0-
9	094. Construct Agriculture Research Facility 3			
10	Restricted Funds	-0-	75,000,000	-0-
11	095. Improve Center for Applied Energy Research Facilities			
12	Restricted Funds	-0-	75,000,000	-0-
13	096. Construct/Improve Academic/Administrative Facility 4			
14	Restricted Funds	-0-	75,000,000	-0-
15	097. Upgrade/Renovate/Expand Research Labs			
16	Restricted Funds	-0-	75,000,000	-0-
17	098. Improve Funkhouser Building			
18	Restricted Funds	-0-	75,000,000	-0-
19	099. Construct/Improve Alumni Center			
20	Restricted Funds	-0-	75,000,000	-0-
21	100. Construct/Improve Greek Housing			
22	Restricted Funds	-0-	36,000,000	-0-
23	Other Funds	-0-	36,000,000	-0-
24	TOTAL	-0-	72,000,000	-0-
25	101. Improve Willard Medical Education/Science Building			
26	Restricted Funds	-0-	70,000,000	-0-
27	102. Improve Lexington Theological Seminary Facilities			

1	Restricted Funds	-0-	70,000,000	-0-
2	103. Construct/Improve CAFE Farm 2			
3	Restricted Funds	-0-	60,000,000	-0-
4	104. Construct/Improve Childcare Development Facility			
5	Restricted Funds	-0-	55,000,000	-0-
6	105. Construct/Improve Administrative/Support Building			
7	Restricted Funds	-0-	55,000,000	-0-
8	106. Construct Tennis Facility			
9	Restricted Funds	-0-	27,000,000	-0-
10	Other Funds	-0-	27,000,000	-0-
11	TOTAL	-0-	54,000,000	-0-
12	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
13	107. Improve Campus Core Quadrangle Facilities			
14	Restricted Funds	-0-	54,000,000	-0-
15	108. Acquire Land			
16	Restricted Funds	-0-	50,000,000	-0-
17	109. Acquire/Improve Clinical Facility/Practice 6			
18	Restricted Funds	-0-	50,000,000	-0-
19	110. Acquire/Improve Medical/Administrative Facility 7			
20	Restricted Funds	-0-	50,000,000	-0-
21	111. Acquire/Improve Medical/Administrative Facility 6			
22	Restricted Funds	-0-	50,000,000	-0-
23	112. Improve Medical Pavilion UK St. Claire			
24	Restricted Funds	-0-	50,000,000	-0-
25	113. Improve IT/Enterprise Systems 1			
26	Restricted Funds	-0-	50,000,000	-0-
27	114. Improve Business Services Center UK St. Claire			

1	Restricted Funds	-0-	50,000,000	-0-
2	115. Acquire/Improve Service Core Systems UK St. Claire			
3	Restricted Funds	-0-	50,000,000	-0-
4	116. Improve Building Systems UK St. Claire			
5	Restricted Funds	-0-	50,000,000	-0-
6	117. Improve Site/Civil Infrastructure UK HealthCare			
7	Restricted Funds	-0-	50,000,000	-0-
8	118. Improve UK Good Samaritan Hospital Facilities			
9	Restricted Funds	-0-	50,000,000	-0-
10	119. Construct/Improve Ambulatory Care			
11	Restricted Funds	-0-	50,000,000	-0-
12	120. Construct/Improve Patient Support Facility			
13	Restricted Funds	-0-	50,000,000	-0-
14	121. Construct Agriculture Research Facility - Phase 2			
15	Restricted Funds	-0-	50,000,000	-0-
16	122. Improve Research Data Infrastructure			
17	Restricted Funds	-0-	50,000,000	-0-
18	123. Construct/Improve Academic/Administrative Facility 5			
19	Restricted Funds	-0-	50,000,000	-0-
20	124. Improve Student Services Space			
21	Restricted Funds	-0-	50,000,000	-0-
22	125. Improve Health Sciences Research Building			
23	Restricted Funds	-0-	50,000,000	-0-
24	126. Improve Angliana Facilities			
25	Restricted Funds	-0-	50,000,000	-0-
26	127. Improve Kroger Field 4			
27	Restricted Funds	-0-	25,000,000	-0-

1	Other Funds	-0-	25,000,000	-0-
2	TOTAL	-0-	50,000,000	-0-
3	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
4	128. Purchase/Construct CO2 Capture Process Plant			
5	Restricted Funds	-0-	1,500,000	-0-
6	Federal Funds	-0-	40,000,000	-0-
7	Other Funds	-0-	8,500,000	-0-
8	TOTAL	-0-	50,000,000	-0-
9	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
10	129. Improve Seaton Center			
11	Restricted Funds	-0-	50,000,000	-0-
12	130. Decommission Facilities			
13	Restricted Funds	-0-	50,000,000	-0-
14	131. Improve Kroger Field 3			
15	Restricted Funds	-0-	25,000,000	-0-
16	Other Funds	-0-	25,000,000	-0-
17	TOTAL	-0-	50,000,000	-0-
18	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
19	132. Improve Site/Civil Infrastructure			
20	Restricted Funds	-0-	50,000,000	-0-
21	133. Improve Arboretum Complex			
22	Restricted Funds	-0-	50,000,000	-0-
23	134. Construct/Relocate/Replace Greenhouses			
24	Restricted Funds	-0-	50,000,000	-0-
25	135. Improve Jacobs Science Building			
26	Restricted Funds	-0-	48,000,000	-0-
27	136. Improve McVey Hall			

1	Restricted Funds	-0-	48,000,000	-0-
2	137. Improve Gray Design Building			
3	Restricted Funds	-0-	45,000,000	-0-
4	138. Improve Memorial Hall			
5	Restricted Funds	-0-	45,000,000	-0-
6	139. Research Equipment Pool			
7	Restricted Funds	-0-	30,000,000	-0-
8	Federal Funds	-0-	15,000,000	-0-
9	TOTAL	-0-	45,000,000	-0-
10	140. Construct/Improve Library Depository Facility			
11	Restricted Funds	-0-	45,000,000	-0-
12	141. Lease/Purchase Enterprise Resource Planning System			
13	Restricted Funds	-0-	40,000,000	-0-
14	142. Construct/Improve Recreation Services Space 2			
15	Restricted Funds	-0-	20,000,000	-0-
16	Other Funds	-0-	20,000,000	-0-
17	TOTAL	-0-	40,000,000	-0-
18	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
19	143. Construct/Improve Student Success/Academic Facility 1			
20	Restricted Funds	-0-	40,000,000	-0-
21	144. Improve Building Shell Systems			
22	Restricted Funds	-0-	40,000,000	-0-
23	145. Construct Teaching Pavilion			
24	Restricted Funds	-0-	38,000,000	-0-
25	146. Improve Academic Technical Building			
26	Restricted Funds	-0-	35,000,000	-0-
27	147. Improve Whalen Building and Bay Facility (Kentucky Advanced Manufacturing)			

1	Restricted Funds	-0-	35,000,000	-0-
2	148. Construct/Improve Recreation Quad			
3	Restricted Funds	-0-	35,000,000	-0-
4	149. Construct Support Services Building			
5	Restricted Funds	-0-	35,000,000	-0-
6	150. Improve Moloney Building			
7	Restricted Funds	-0-	35,000,000	-0-
8	151. Improve Building Mechanical Systems			
9	Restricted Funds	-0-	35,000,000	-0-
10	152. Expand Kentucky Geological Survey Well Sample and Core Repository			
11	Restricted Funds	-0-	35,000,000	-0-
12	153. Lease/Purchase Medical Facility/Practice 6			
13	Restricted Funds	-0-	30,000,000	-0-
14	154. Lease/Purchase Medical Facility/Practice 5			
15	Restricted Funds	-0-	30,000,000	-0-
16	155. Lease/Purchase Medical Facility/Practice 4			
17	Restricted Funds	-0-	30,000,000	-0-
18	156. Lease/Purchase Medical Facility/Practice 3			
19	Restricted Funds	-0-	30,000,000	-0-
20	157. Lease/Purchase Medical Facility/Practice 2			
21	Restricted Funds	-0-	30,000,000	-0-
22	158. Lease/Purchase Medical Facility/Practice 1			
23	Restricted Funds	-0-	30,000,000	-0-
24	159. Improve Medical Facility 9			
25	Restricted Funds	-0-	30,000,000	-0-
26	160. Improve Medical Facility 6			
27	Restricted Funds	-0-	30,000,000	-0-

1	161. Improve Medical Facility 5			
2	Restricted Funds	-0-	30,000,000	-0-
3	162. Improve Medical Facility 4			
4	Restricted Funds	-0-	30,000,000	-0-
5	163. Improve Medical Facility 8			
6	Restricted Funds	-0-	30,000,000	-0-
7	164. Improve Medical Facility 18			
8	Restricted Funds	-0-	30,000,000	-0-
9	165. Improve Medical Facility 17			
10	Restricted Funds	-0-	30,000,000	-0-
11	166. Improve Medical Facility 16			
12	Restricted Funds	-0-	30,000,000	-0-
13	167. Improve Medical Facility 15			
14	Restricted Funds	-0-	30,000,000	-0-
15	168. Improve Medical Facility 14			
16	Restricted Funds	-0-	30,000,000	-0-
17	169. Improve Medical Facility 13			
18	Restricted Funds	-0-	30,000,000	-0-
19	170. Improve Medical Facility 12			
20	Restricted Funds	-0-	30,000,000	-0-
21	171. Improve Medical Facility 11			
22	Restricted Funds	-0-	30,000,000	-0-
23	172. Improve Medical Facility 10			
24	Restricted Funds	-0-	30,000,000	-0-
25	173. Improve Medical Facility 7			
26	Restricted Funds	-0-	30,000,000	-0-
27	174. Improve Stuckert Career Center			

1	Restricted Funds	-0-	30,000,000	-0-
2	175. Construct/Improve CAFE Farm 1			
3	Restricted Funds	-0-	30,000,000	-0-
4	176. Improve Enterprise Networking 1			
5	Restricted Funds	-0-	30,000,000	-0-
6	177. Improve Electrical Infrastructure			
7	Restricted Funds	-0-	28,000,000	-0-
8	178. Improve Library Facility			
9	Restricted Funds	-0-	27,000,000	-0-
10	179. Improve Mechanical Infrastructure			
11	Restricted Funds	-0-	26,000,000	-0-
12	180. Improve IT/Enterprise Systems 3			
13	Restricted Funds	-0-	25,000,000	-0-
14	181. Improve IT/Enterprise Systems 2			
15	Restricted Funds	-0-	25,000,000	-0-
16	182. Acquire/Improve Clinical Facility/Practice 5			
17	Restricted Funds	-0-	25,000,000	-0-
18	183. Acquire/Improve Clinical Facility/Practice 4			
19	Restricted Funds	-0-	25,000,000	-0-
20	184. Acquire/Improve Clinical Facility/Practice 3			
21	Restricted Funds	-0-	25,000,000	-0-
22	185. Acquire/Improve Clinical Facility/Practice 2			
23	Restricted Funds	-0-	25,000,000	-0-
24	186. Acquire/Improve Clinical Facility/Practice 1			
25	Restricted Funds	-0-	25,000,000	-0-
26	187. Implement Patient Communication System			
27	Restricted Funds	-0-	25,000,000	-0-

1	188. Construct/Improve Wellness Trial			
2	Restricted Funds	-0-	25,000,000	-0-
3	189. Construct Meats/Food Development Center Phase 2			
4	Restricted Funds	-0-	25,000,000	-0-
5	190. Construct/Improve Transformative Learning Center			
6	Restricted Funds	-0-	25,000,000	-0-
7	191. Improve Peterson Service Building			
8	Restricted Funds	-0-	25,000,000	-0-
9	192. Improve Barnhart Building			
10	Restricted Funds	-0-	25,000,000	-0-
11	193. Improve Enterprise Networking 2			
12	Restricted Funds	-0-	25,000,000	-0-
13	194. Lease/Purchase Enterprise IT Systems			
14	Restricted Funds	-0-	25,000,000	-0-
15	195. Improve Student Center Space 3			
16	Restricted Funds	-0-	25,000,000	-0-
17	196. Improve W.T. Young Facility			
18	Restricted Funds	-0-	25,000,000	-0-
19	197. Improve Critical Infrastructure Building Systems			
20	Restricted Funds	-0-	25,000,000	-0-
21	198. Improve Life Safety			
22	Restricted Funds	-0-	25,000,000	-0-
23	199. Improve Campus Security and Safety Systems			
24	Restricted Funds	-0-	20,000,000	-0-
25	200. Improve Health Park UK King's Daughters			
26	Restricted Funds	-0-	20,000,000	-0-
27	201. Improve Site/Civil Infrastructure UK St. Claire			

1	Restricted Funds	-0-	20,000,000	-0-
2	202. Improve Medical Pavilion UK King's Daughters			
3	Restricted Funds	-0-	20,000,000	-0-
4	203. Construct UK HealthCare Medical Transport Facility			
5	Restricted Funds	-0-	20,000,000	-0-
6	204. Improve Campus Security and Safety			
7	Restricted Funds	-0-	20,000,000	-0-
8	205. Acquire/Improve Data/Infrastructure Systems			
9	Restricted Funds	-0-	20,000,000	-0-
10	206. Construct/Improve Recreation/Services Space 3			
11	Restricted Funds	-0-	10,000,000	-0-
12	Other Funds	-0-	10,000,000	-0-
13	TOTAL	-0-	20,000,000	-0-
14	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
15	207. Construct/Improve Academic/Administrative Facility 2 Design			
16	Restricted Funds	-0-	20,000,000	-0-
17	208. Construct/Improve Academic/Administrative Facility 1 Design			
18	Restricted Funds	-0-	20,000,000	-0-
19	209. Lease/Purchase Campus IT System			
20	Restricted Funds	-0-	20,000,000	-0-
21	210. Construct/Improve Machine Lab			
22	Restricted Funds	-0-	20,000,000	-0-
23	211. Improve White Hall Classroom Building			
24	Restricted Funds	-0-	20,000,000	-0-
25	212. Improve Athletics Facility 2			
26	Restricted Funds	-0-	20,000,000	-0-
27	213. Acquire/Improve IT Systems/Infrastructure			

1	Restricted Funds	-0-	20,000,000	-0-
2	214. Improve Academic Facility			
3	Restricted Funds	-0-	20,000,000	-0-
4	215. Lease/Purchase Enterprise Network Security			
5	Restricted Funds	-0-	20,000,000	-0-
6	216. Construct Police Facilities			
7	Restricted Funds	-0-	20,000,000	-0-
8	217. Acquire/Improve Service Core Systems			
9	Restricted Funds	-0-	20,000,000	-0-
10	218. Improve Hilary J. Boone Center			
11	Restricted Funds	-0-	18,000,000	-0-
12	219. Improve Lancaster Aquatic Center 1			
13	Restricted Funds	-0-	17,000,000	-0-
14	220. Improve Medical Center Library			
15	Restricted Funds	-0-	17,000,000	-0-
16	221. Construct/Improve Student Success/Academic Facility 2			
17	Restricted Funds	-0-	15,000,000	-0-
18	222. Construct/Improve UK HealthCare Hamburg Facilities			
19	Restricted Funds	-0-	15,000,000	-0-
20	223. Acquire Data Center and Networking Hardware UK HealthCare			
21	Restricted Funds	-0-	15,000,000	-0-
22	224. Construct/Improve Academic/Administrative Facility 3 Design			
23	Restricted Funds	-0-	15,000,000	-0-
24	225. Improve Boone Tennis Center			
25	Restricted Funds	-0-	15,000,000	-0-
26	226. Construct/Improve Athletics Facility 2			
27	Restricted Funds	-0-	15,000,000	-0-

1	227. Acquire Equipment/Furnishings Pool			
2	Restricted Funds	-0-	15,000,000	-0-
3	228. Improve Spindletop Hall Facilities			
4	Restricted Funds	-0-	15,000,000	-0-
5	229. Construct/Fit-up Retail Space			
6	Restricted Funds	-0-	10,000,000	-0-
7	Other Funds	-0-	5,000,000	-0-
8	TOTAL	-0-	15,000,000	-0-
9	230. Improve Athletics Facility 3			
10	Restricted Funds	-0-	15,000,000	-0-
11	231. Improve Multi-Disciplinary Science Building			
12	Restricted Funds	-0-	15,000,000	-0-
13	232. Lease/Purchase High Performance Computer			
14	Restricted Funds	-0-	15,000,000	-0-
15	233. Improve CAFE Motor Pool Building			
16	Restricted Funds	-0-	14,000,000	-0-
17	234. Construct Agriculture Federal Research Facility II			
18	Federal Funds	-0-	14,000,000	-0-
19	235. Construct Metal Arts/Digital Media Building			
20	Restricted Funds	-0-	14,000,000	-0-
21	236. Improve Baseball Facility Phase II			
22	Restricted Funds	-0-	14,000,000	-0-
23	237. Improve Patterson Office Tower			
24	Restricted Funds	-0-	12,000,000	-0-
25	238. Improve University Storage Facility 1			
26	Restricted Funds	-0-	12,000,000	-0-
27	239. Acquire/Improve Clinical/Research Facility			

1	Restricted Funds	-0-	11,000,000	-0-
2	240. Acquire Telemedicine/Virtual Intensive Care Unit			
3	Restricted Funds	-0-	10,000,000	-0-
4	241. Renovate/Improve Nursing Units UK HealthCare			
5	Restricted Funds	-0-	10,000,000	-0-
6	242. Construct/Improve Academic/Administrative Facility 4 Design			
7	Restricted Funds	-0-	10,000,000	-0-
8	243. Improve Parking Structure 2 Enterprise Data Center			
9	Restricted Funds	-0-	10,000,000	-0-
10	244. Improve University Storage Facility 2			
11	Restricted Funds	-0-	10,000,000	-0-
12	245. Improve Soccer/Softball Facility			
13	Restricted Funds	-0-	10,000,000	-0-
14	246. Improve Campus Infrastructure			
15	Restricted Funds	-0-	10,000,000	-0-
16	247. Improve Fume Hood Systems			
17	Restricted Funds	-0-	10,000,000	-0-
18	248. Improve Scovell Hall			
19	Restricted Funds	-0-	10,000,000	-0-
20	249. Improve Lancaster Aquatic Center 2			
21	Restricted Funds	-0-	10,000,000	-0-
22	250. Lease/Purchase Enterprise Infrastructure			
23	Restricted Funds	-0-	10,000,000	-0-
24	251. Improve Enterprise Cable Infrastructure			
25	Restricted Funds	-0-	10,000,000	-0-
26	252. Improve Senior Center			
27	Restricted Funds	-0-	10,000,000	-0-

1	253. Construct/Improve Gymnastics Practice Facility			
2	Restricted Funds	-0-	10,000,000	-0-
3	254. Improve Memorial Coliseum			
4	Restricted Funds	-0-	10,000,000	-0-
5	255. Improve Athletics Facility 4			
6	Restricted Funds	-0-	10,000,000	-0-
7	256. Improve Pence Hall			
8	Restricted Funds	-0-	10,000,000	-0-
9	257. Improve Division of Laboratory Animal Resources Facilities			
10	Restricted Funds	-0-	10,000,000	-0-
11	258. Improve Building Electrical Systems			
12	Restricted Funds	-0-	10,000,000	-0-
13	259. ADA Compliance Pool			
14	Restricted Funds	-0-	10,000,000	-0-
15	260. Improve Kroger Field 1 Additional Reauthorization (\$15,000,000 Other Funds)			
16	Restricted Funds	-0-	10,000,000	-0-
17	261. Improve Anderson Tower			
18	Restricted Funds	-0-	9,000,000	-0-
19	262. Improve Mineral Industries Building			
20	Restricted Funds	-0-	9,000,000	-0-
21	263. Improve Carnahan House			
22	Restricted Funds	-0-	8,000,000	-0-
23	264. Acquire/Improve Golf Facility			
24	Restricted Funds	-0-	8,000,000	-0-
25	265. Construct/Improve Academic/Administrative Facility 5 Design			
26	Restricted Funds	-0-	7,500,000	-0-
27	266. Improve Medical Plaza			

1	Restricted Funds	-0-	7,000,000	-0-
2	267. Improve Nutter Training Facility			
3	Restricted Funds	-0-	7,000,000	-0-
4	268. Lease/Purchase Enterprise Voice Infrastructure			
5	Restricted Funds	-0-	7,000,000	-0-
6	269. Renovate Space for a Testing Center			
7	Restricted Funds	-0-	7,000,000	-0-
8	270. Improve Nursing Building			
9	Restricted Funds	-0-	7,000,000	-0-
10	271. Lease/Purchase Enterprise Call Center System			
11	Restricted Funds	-0-	7,000,000	-0-
12	272. Improve Medical Behavioral Science Building			
13	Restricted Funds	-0-	6,000,000	-0-
14	273. Improve Athletics Facility 6			
15	Restricted Funds	-0-	6,000,000	-0-
16	274. Improve Athletics Facility 5			
17	Restricted Funds	-0-	6,000,000	-0-
18	275. Improve Joe Craft Center			
19	Restricted Funds	-0-	6,000,000	-0-
20	276. Improve Joe Craft Football Practice Facility			
21	Restricted Funds	-0-	3,000,000	-0-
22	Other Funds	-0-	3,000,000	-0-
23	TOTAL	-0-	6,000,000	-0-
24	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
25	277. Improve Cooper House			
26	Restricted Funds	-0-	6,000,000	-0-
27	278. Acquire Data Center and Networking Hardware UK St. Claire			

1	Restricted Funds	-0-	5,000,000	-0-
2	279. Acquire Data Center and Networking Hardware UK King’s Daughters			
3	Restricted Funds	-0-	5,000,000	-0-
4	280. Construct/Improve Recreational Playing Surfaces			
5	Restricted Funds	-0-	5,000,000	-0-
6	281. Construct Athletics Hall of Fame			
7	Restricted Funds	-0-	5,000,000	-0-
8	282. Improve Sturgill Development Building			
9	Restricted Funds	-0-	4,000,000	-0-
10	283. Replace Basketball Playing Floors			
11	Restricted Funds	-0-	3,000,000	-0-
12	284. Improve Athletics Facility 7			
13	Restricted Funds	-0-	3,000,000	-0-
14	285. Acquire Transportation Buses			
15	Restricted Funds	-0-	3,000,000	-0-
16	286. Improve Indoor/Outdoor Track			
17	Restricted Funds	-0-	3,000,000	-0-
18	287. Construct Cross Country Trail			
19	Restricted Funds	-0-	3,000,000	-0-
20	288. Construct/Improve Athletics Surfaces 2			
21	Restricted Funds	-0-	3,000,000	-0-
22	289. Construct/Improve Athletics Surfaces 1			
23	Restricted Funds	-0-	3,000,000	-0-
24	290. Construct/Improve Medical/Administrative Facility 3 Reauthorization (\$800,000,000			
25	Agency Bonds)			
26	291. Asset Preservation Pool - 2024-2026 Reauthorization (\$30,862,000 Agency Bonds)			
27	292. Construct Academic Building Reauthorization (\$149,000,000 Restricted Funds)			

1 **293.** Construct/Improve Medical/Administrative Facility 1 Reauthorization (\$300,000,000
2 Restricted Funds, \$500,000,000 Other Funds)

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

4 **294.** Construct Health Education Building Reauthorization (\$50,000,000 Agency Bonds)

5 **295.** Lease - Off Campus 1

6 **296.** Lease - Off Campus 3

7 **297.** Lease - Off Campus 4

8 **298.** Lease - Off Campus 5

9 **299.** Lease - Off Campus 6

10 **300.** Lease - Off Campus 7

11 **301.** Lease - Off Campus 11

12 **302.** Lease - Off Campus 12

13 **303.** Lease - Off Campus 13

14 **304.** Lease - Off Campus 14

15 **305.** Lease - Off Campus 15

16 **306.** Lease - Off Campus 16

17 **307.** Lease - Off Campus 17

18 **308.** Lease - Off Campus 18

19 **309.** Lease - Off Campus 19

20 **310.** Lease - Off Campus 20

21 **311.** Lease - Off Campus 21

22 **312.** Lease - Off Campus 22

23 **313.** Lease - Off Campus 23

24 **314.** Lease - Off Campus 24

25 **315.** Lease - Off Campus 25

26 **316.** Lease - Off Campus 26

27 **317.** Lease - Off Campus Housing 1

- 1 **318.** Lease - Off Campus Housing 2
- 2 **319.** Lease - Health Science Colleges 1
- 3 **320.** Lease - Health Science Colleges 2
- 4 **321.** Lease - Health Science Colleges 3
- 5 **322.** Lease - Off Campus Athletics 1
- 6 **323.** Lease - Off Campus Athletics 2
- 7 **324.** Lease - Health Affairs Office 3
- 8 **325.** Lease - Health Affairs Office 4
- 9 **326.** Lease - Health Affairs Office 10
- 10 **327.** Lease - Health Affairs Office 12
- 11 **328.** Lease - Health Affairs Office 14
- 12 **329.** Lease - Health Affairs Office 15
- 13 **330.** Lease - Health Affairs Office 18
- 14 **331.** Lease - Health Affairs Office 19
- 15 **332.** Lease - Health Affairs Office 20
- 16 **333.** Lease - Health Affairs Office 21
- 17 **334.** Lease - Health Affairs Office 22
- 18 **335.** Lease - Health Affairs Office 24
- 19 **336.** Lease - UK HealthCare Off Campus Facility 2
- 20 **337.** Lease - UK HealthCare Off Campus Facility 3
- 21 **338.** Lease - UK HealthCare Off Campus Facility 5
- 22 **339.** Lease - UK HealthCare Off Campus Facility 12
- 23 **340.** Lease - UK HealthCare Off Campus Facility 13
- 24 **341.** Lease - UK HealthCare Off Campus Facility 14
- 25 **342.** Lease - UK HealthCare Off Campus Facility 15
- 26 **343.** Lease - UK HealthCare Off Campus Facility 16
- 27 **344.** Lease - UK HealthCare Off Campus Facility 17

- 1 **345.** Lease - UK HealthCare Off Campus Facility 18
- 2 **346.** Lease - UK HealthCare Off Campus Facility 19
- 3 **347.** Lease - UK HealthCare Off Campus Facility 20
- 4 **348.** Lease - UK HealthCare Off Campus Facility 21
- 5 **349.** Lease - UK HealthCare Off Campus Facility 22
- 6 **350.** Lease - UK HealthCare Off Campus Facility 23
- 7 **351.** Lease - UK HealthCare Off Campus Facility 24
- 8 **352.** Lease - UK HealthCare Off Campus Facility 25
- 9 **353.** Lease - UK HealthCare Off Campus Facility 26
- 10 **354.** Lease - UK HealthCare Off Campus Facility 27
- 11 **355.** Lease - UK HealthCare Off Campus Facility 28
- 12 **356.** Lease - UK HealthCare Off Campus Facility 29
- 13 **357.** Lease - UK HealthCare Off Campus Facility 30
- 14 **358.** Lease - UK HealthCare Off Campus Facility 31
- 15 **359.** Lease - UK HealthCare Off Campus Facility 32
- 16 **360.** Lease - UK HealthCare Off Campus Facility 33
- 17 **361.** Lease - Off Campus 2
- 18 **362.** Lease - College of Medicine 1
- 19 **363.** Lease - College of Medicine 2
- 20 **364.** Lease - Health Affairs Office 1
- 21 **365.** Lease - Health Affairs Office 2
- 22 **366.** Lease - Health Affairs Office 5
- 23 **367.** Lease - Health Affairs Office 6
- 24 **368.** Lease - Health Affairs Office 7
- 25 **369.** Lease - Health Affairs Office 8
- 26 **370.** Lease - Health Affairs Office 9
- 27 **371.** Lease - Health Affairs Office 11

- 1 **372.** Lease - Health Affairs Office 13
- 2 **373.** Lease - Health Affairs Office 16
- 3 **374.** Lease - Health Affairs Office 17
- 4 **375.** Lease - Health Affairs Office 23
- 5 **376.** Lease - UK HealthCare Off Campus Facility 1
- 6 **377.** Lease - UK HealthCare Off Campus Facility 4
- 7 **378.** Lease - UK HealthCare Off Campus Facility 6
- 8 **379.** Lease - UK HealthCare Off Campus Facility 7
- 9 **380.** Lease - UK HealthCare Off Campus Facility 8
- 10 **381.** Lease - UK HealthCare Off Campus Facility 9
- 11 **382.** Lease - UK HealthCare Off Campus Facility 10
- 12 **383.** Lease - UK HealthCare Off Campus Facility 11
- 13 **384.** Lease - Off Campus 8
- 14 **385.** Lease - Off Campus 9
- 15 **386.** Lease - Off Campus 10
- 16 **387.** Lease - UK HealthCare Royal Blue Health 1
- 17 **388.** Lease - UK HealthCare Royal Blue Health 2
- 18 **389.** Lease - UK HealthCare Royal Blue Health 3
- 19 **390.** Lease - UK HealthCare Royal Blue Health 4
- 20 **391.** Lease - UK HealthCare Royal Blue Health 6
- 21 **392.** Lease - UK HealthCare Royal Blue Health 7
- 22 **393.** Lease - UK HealthCare Royal Blue Health 8
- 23 **394.** Guaranteed Energy Savings Performance Contracts - UK HealthCare
- 24 **395.** Guaranteed Energy Savings Performance Contracts

25 **8. UNIVERSITY OF LOUISVILLE**

26 **001.** Asset Preservation Pool - 2026-2028

27	Bond Funds	-0-	10,000,000	12,077,000
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1	012. Structural Improvement Pool - 2026-2028			
2	Other Funds	-0-	40,000,000	-0-
3	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
4	013. Construct Center for AI Excellence			
5	Other Funds	-0-	29,000,000	-0-
6	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
7	014. Expand Basketball/Lacrosse Practice Facility			
8	Other Funds	-0-	25,000,000	-0-
9	015. Renovate Cardinal Football Stadium			
10	Other Funds	-0-	25,000,000	-0-
11	016. Construct Indoor Facility			
12	Other Funds	-0-	20,000,000	-0-
13	017. Expand Patterson Stadium/Construct Indoor Facility			
14	Other Funds	-0-	20,000,000	-0-
15	018. Construct Resident Hall and Visitor Development			
16	Agency Bonds	-0-	160,000,000	-0-
17	019. Purchase Land Additional Reauthorization (\$10,000,000 Agency Bonds)			
18	Other Funds	-0-	15,000,000	-0-
19	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
20	020. Expand Ulmer Stadium/Construct Indoor Facility			
21	Other Funds	-0-	15,000,000	-0-
22	021. Construct Kentucky Center for Precision Medicine			
23	Federal Funds	-0-	12,500,000	-0-
24	022. Enhance Workday Financial Management Software			
25	Other Funds	-0-	10,000,000	-0-
26	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
27	023. Enhance Research Computing Infrastructure			

1	Other Funds	-0-	10,000,000	-0-
2	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
3	024. Enhance Content Management System			
4	Other Funds	-0-	10,000,000	-0-
5	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
6	025. Renovate L&N Arena			
7	Other Funds	-0-	10,000,000	-0-
8	026. Update, Replace Technology in Athletic Venues			
9	Other Funds	-0-	10,000,000	-0-
10	027. Update Green Health Sciences Center Courtyard			
11	Other Funds	-0-	10,000,000	-0-
12	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
13	028. Campus Code Improvement Pool - 2026-2028			
14	Other Funds	-0-	10,000,000	-0-
15	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
16	029. Replace Cardinal Stadium Seats			
17	Other Funds	-0-	10,000,000	-0-
18	030. Renovate Cardinal Park			
19	Other Funds	-0-	10,000,000	-0-
20	031. Expand and Renovate Wright Natatorium			
21	Other Funds	-0-	10,000,000	-0-
22	032. Athletic Venue Capital Renewal Pool - 2026-2028			
23	Other Funds	-0-	10,000,000	-0-
24	033. Expand and Renovate Marshall Center Complex			
25	Other Funds	-0-	10,000,000	-0-
26	034. Replace Electronic Video Boards			
27	Other Funds	-0-	10,000,000	-0-

1	035. Construct Defense Supply Chain Security System			
2	Federal Funds	-0-	10,000,000	-0-
3	036. Construct/Renovate Kentucky Center for Precision Medicine Data and Analytical			
4	Systems			
5	Federal Funds	-0-	9,326,000	-0-
6	037. Construct/Renovate Kentucky Center for Precision Medicine Equipment			
7	Federal Funds	-0-	8,000,000	-0-
8	038. Renovate Cardinal Stadium Club			
9	Other Funds	-0-	7,500,000	-0-
10	039. Construct Athletics Office Building			
11	Other Funds	-0-	7,500,000	-0-
12	040. Replace Seats in Athletic Venues			
13	Other Funds	-0-	7,000,000	-0-
14	041. Purchase Network System Enhancements			
15	Other Funds	-0-	6,000,000	-0-
16	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
17	042. Renovate and Update Student/Athlete Dormitory			
18	Other Funds	-0-	6,000,000	-0-
19	043. Enhance Security and Firewall System			
20	Other Funds	-0-	5,000,000	-0-
21	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
22	044. Enhance Computer Processing and Storage			
23	Other Funds	-0-	5,000,000	-0-
24	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
25	045. Expand and Renovate Tailgate Space			
26	Other Funds	-0-	5,000,000	-0-
27	046. Expand and Renovate Athletic Parking Lots			

1	Other Funds	-0-	5,000,000	-0-
2	047. Renovate Gross Anatomy Lab			
3	Other Funds	-0-	5,000,000	-0-
4	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
5	048. Demolish and Construct Golf Maintenance/Chemical Building			
6	Other Funds	-0-	5,000,000	-0-
7	049. Renovate Bass Rudd Tennis Center			
8	Other Funds	-0-	5,000,000	-0-
9	050. Construct Practice Bubble			
10	Other Funds	-0-	5,000,000	-0-
11	051. Renovate Lynn Soccer Stadium			
12	Other Funds	-0-	5,000,000	-0-
13	052. Renovate Trager Football Practice Facility			
14	Other Funds	-0-	5,000,000	-0-
15	053. Renovate Patterson Baseball Stadium			
16	Other Funds	-0-	5,000,000	-0-
17	054. Renovate Thornton's Academic Center			
18	Other Funds	-0-	5,000,000	-0-
19	055. Construct Athletic Grounds Building			
20	Other Funds	-0-	5,000,000	-0-
21	056. Construct Football Practice Field Lighting			
22	Other Funds	-0-	5,000,000	-0-
23	057. Upgrade Regional Biocontainment Laboratories			
24	Federal Funds	-0-	5,000,000	-0-
25	058. Construct Building for Self-Contained Internet Access Point			
26	Federal Funds	-0-	5,000,000	-0-
27	059. Construct Exit Ramp at Chestnut Street Garage			

1	Other Funds	-0-	4,000,000	-0-
2	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
3	060. Enhance Workday Human Resources Software			
4	Other Funds	-0-	4,000,000	-0-
5	061. Update and Replace Equipment in ACCN Studio			
6	Other Funds	-0-	4,000,000	-0-
7	062. Renovate and Expand ACCN Studio			
8	Other Funds	-0-	4,000,000	-0-
9	063. Renovate Garvin Brown Boathouse			
10	Other Funds	-0-	4,000,000	-0-
11	064. Renovate Parking Structures			
12	Other Funds	-0-	3,600,000	-0-
13	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
14	065. Purchase Fiber Infrastructure			
15	Other Funds	-0-	3,500,000	-0-
16	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
17	066. Install Signage, Wayfinding, and Landscaping			
18	Other Funds	-0-	3,000,000	-0-
19	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
20	067. Expand, Replace and Maintain Grass Practice Fields			
21	Other Funds	-0-	3,000,000	-0-
22	068. Replace Fiber Pathway from ACCN Studio to Venues			
23	Other Funds	-0-	3,000,000	-0-
24	069. Renovate and Expand Lee Street Facility			
25	Other Funds	-0-	3,000,000	-0-
26	070. College of Education Academic Renovation Pool - 2026-2028			
27	Other Funds	-0-	3,000,000	-0-

1	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
2	071. Renovate Golf Clubhouse - Shelby County			
3	Other Funds	-0-	3,000,000	-0-
4	072. Upgrade Plumbing and Sanitary Lines - Dental School			
5	Other Funds	-0-	2,500,000	-0-
6	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
7	073. Resurface and Repair Parking Lot			
8	Other Funds	-0-	2,500,000	-0-
9	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
10	074. Construct Belknap Stormwater Mitigation Improvements			
11	Other Funds	-0-	2,500,000	-0-
12	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
13	075. ADA Building Upgrade Pool - 2026-2028			
14	Other Funds	-0-	2,000,000	-0-
15	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
16	076. Build Out Space for UofL Departments			
17	Other Funds	-0-	2,000,000	-0-
18	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
19	077. Replace Artificial Turf Field V			
20	Other Funds	-0-	2,000,000	-0-
21	078. Replace Artificial Turf Field IV			
22	Other Funds	-0-	2,000,000	-0-
23	079. Renovate Interfaith Center			
24	Other Funds	-0-	1,500,000	-0-
25	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
26	080. Construct Belknap 3rd St & Brandeis Corridor Improvements			
27	Restricted Funds	-0-	1,112,000	-0-

- 1 **081.** Renovate Exterior Envelope Replacement - 55A Reauthorization (\$20,000,000
2 Agency Bonds)
- 3 **082.** Construct Connector Speed School to Research Park Reauthorization (\$10,000,000
4 Agency Bonds)
- 5 **083.** Renovate College of Business Academic Space Reauthorization (\$15,000,000
6 Agency Bonds)
- 7 **084.** Asset Preservation - 2024-2026 Reauthorization (\$8,638,000 Agency Bonds)
- 8 **085.** Construct Resident Hall Reauthorization (\$80,000,000 Agency Bonds)
- 9 **086.** Construct Health Sciences Simulation Center and Collaboration Hub Reauthorization
10 (\$20,000,000 Agency Bonds)
- 11 **087.** Construct Student Commons and Recreational Fields Reauthorization (\$12,000,000
12 Agency Bonds)
- 13 **088.** Modernize Steam and Chill Water Plant Reauthorization (\$40,000,000 Agency
14 Bonds)
- 15 **089.** Lease - Medical Center One
- 16 **090.** Lease - Nucleus 1 Building
- 17 **091.** Lease - University Point
- 18 **092.** Lease - Cardinal Towne
- 19 **093.** Lease - The Nine at Louisville
- 20 **094.** Lease - Province Apartments
- 21 **095.** Lease - Trager Institute
- 22 **096.** Lease - 1212 S 4th Street, Louisville, KY
- 23 **097.** Lease - Liberty Green Community Center
- 24 **098.** Lease - West Kentucky Community and Technical College
- 25 **099.** Lease - Denny Crum Hall
- 26 **100.** Lease - Soccer Stadium
- 27 **101.** Lease - Founders Square

- 1 **102.** Lease - Rowan Building - A&S Fine Arts
- 2 **103.** Lease - Academic Space 1
- 3 **104.** Lease - Academic Space 2
- 4 **105.** Lease - Arthur Street - Tafel Building
- 5 **106.** Lease - Athletic/Student Dormitory
- 6 **107.** Lease - Housing Facilities
- 7 **108.** Lease - Housing 1
- 8 **109.** Lease - Housing 2
- 9 **110.** Lease - Housing 3
- 10 **111.** Lease - Housing 4
- 11 **112.** Lease - Jefferson County Clinic Space - State of Kentucky
- 12 **113.** Lease - Jefferson County - Clinic Space 1
- 13 **114.** Lease - Jefferson County - Clinic Space 2
- 14 **115.** Lease - Jefferson County - Clinic Space 3
- 15 **116.** Lease - Jefferson County - Office Space 1
- 16 **117.** Lease - Jefferson County - Office Space 2
- 17 **118.** Lease - Jefferson County - Office Space 3
- 18 **119.** Lease - Jefferson County - Office Space 4
- 19 **120.** Lease - Medical Center One 2
- 20 **121.** Lease - Nucleus 1 Building 2
- 21 **122.** Lease - Support Space 1
- 22 **123.** Guaranteed Energy Savings Performance Contracts

23 **9. WESTERN KENTUCKY UNIVERSITY**

24	001. Asset Preservation Pool - 2026-2028			
25	Bond Funds	-0-	10,000,000	9,158,000
26	002. Residential Halls Public-Private Partnership			
27	Other Funds	350,000,000	-0-	200,000,000

1 **(1) Authorization:** The above authorization is approved pursuant to KRS 45.763 and
 2 45A.077.

3	003. Acquire Furniture, Fixtures, and Equipment - Media			
4	Restricted Funds	-0-	20,000,000	-0-
5	004. Renovate Center for Research and Development Phase I			
6	Restricted Funds	-0-	6,000,000	-0-
7	Other Funds	-0-	6,000,000	-0-
8	TOTAL	-0-	12,000,000	-0-
9	005. Renovate Space for Exercise Science Program			
10	Restricted Funds	-0-	10,000,000	-0-
11	006. Renovate and Expand Clinical Education Complex			
12	Other Funds	-0-	10,000,000	-0-
13	007. Remove and Replace Student Housing at Farm			
14	Other Funds	-0-	10,000,000	-0-
15	008. Install Additional Club Seating at Diddle Arena			
16	Other Funds	-0-	10,000,000	-0-
17	009. Capital Renewal Pool - 2026-2028			
18	Restricted Funds	-0-	10,000,000	-0-
19	010. Construct Permanent Seating at Houchens Industries – L.T. Smith Stadium			
20	Agency Bonds	-0-	10,000,000	-0-
21	011. Acquire Fixtures, Furniture, and Equipment - College of Health and Human Services			
22	Restricted Funds	-0-	8,000,000	-0-
23	012. Expand Track and Field Facilities			
24	Other Funds	-0-	6,500,000	-0-
25	013. Renovate South Campus			
26	Restricted Funds	-0-	6,000,000	-0-
27	014. Construct Baseball Grandstand			

1	Other Funds	-0-	6,000,000	-0-
2	015. Construct State Street Plaza			
3	Restricted Funds	-0-	6,000,000	-0-
4	016. Acquire Furniture, Fixtures, and Equipment Diddle Arena			
5	Other Funds	-0-	5,000,000	-0-
6	017. Construct South Plaza			
7	Other Funds	-0-	5,000,000	-0-
8	018. Acquire Furniture, Fixtures, and Equipment Pool - 2026-2028			
9	Restricted Funds	-0-	5,000,000	-0-
10	019. Upgrade Softball/Soccer Facilities and Field			
11	Restricted Funds	-0-	2,000,000	-0-
12	Other Funds	-0-	2,000,000	-0-
13	TOTAL	-0-	4,000,000	-0-
14	020. Renovate Owensboro Campus for the Certified Registered Nurse Anesthetist			
15	(CRNA) Program			
16	Restricted Funds	-0-	3,000,000	-0-
17	021. Renovate Medical Center Health Complex for the Certified Registered Nurse			
18	Anesthetist (CRNA) Program			
19	Restricted Funds	-0-	3,000,000	-0-
20	022. Purchase Property/Parking and Street Improvements			
21	Restricted Funds	-0-	3,000,000	-0-
22	023. Purchase Property for Campus Expansion			
23	Restricted Funds	-0-	3,000,000	-0-
24	024. Renovate State/Normal Street Properties			
25	Restricted Funds	-0-	2,000,000	-0-
26	025. Replace Retractable Seating at Diddle Arena			
27	Restricted Funds	-0-	1,000,000	-0-

1	026. Replace Field Lighting at Nick Denes Field			
2	Restricted Funds	-0-	1,000,000	-0-
3	027. Construct Parking Structure IV Reauthorization (\$35,000,000 Agency Bonds)			
4	028. Lease - Alumni Center			
5	029. Lease - Parking Garage			
6	030. Lease - Nursing/Physical Therapy			
7	031. Lease - Campus Flats			
8	032. Guaranteed Energy Savings Performance Contracts			
9	10. KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM			
10	001. Asset Preservation Pool - 2026-2028			
11	Bond Funds	-0-	10,000,000	24,798,000
12	002. Construct Student Services Building Downtown Phase I - Jefferson CTC			
13	Agency Bonds	-0-	47,300,000	-0-
14	003. Construct Prison Education Program - Bluegrass CTC			
15	Bond Funds	-0-	42,000,000	-0-
16	004. Procure Aviation Equipment - Madisonville CC			
17	Bond Funds	-0-	6,000,000	-0-
18	005. Property Acquisition Pool - Fire Commission			
19	Restricted Funds	-0-	5,000,000	-0-
20	006. KCTCS Property Acquisition Pool - 2026-2028			
21	Restricted Funds	-0-	5,000,000	-0-
22	007. KCTCS Equipment Pool - 2026-2028			
23	Restricted Funds	-0-	2,500,000	-0-
24	Federal Funds	-0-	2,500,000	-0-
25	TOTAL	-0-	5,000,000	-0-
26	008. Construct District 4 Training Space - Fire Commission			
27	Restricted Funds	-0-	4,200,000	-0-

1	009. Construct District 5 Training Space - Fire Commission			
2	Restricted Funds	-0-	4,200,000	-0-
3	010. Acquire Harrison County ATC - Maysville CTC			
4	Restricted Funds	-0-	4,000,000	-0-
5	011. Construct District 14 Storage Space - Fire Commission			
6	Restricted Funds	-0-	3,400,000	-0-
7	012. Improve Exterior Southwest Phase I - Jefferson CTC			
8	Restricted Funds	-0-	2,000,000	-0-
9	013. Procure Training Equipment - Fire Commission			
10	Restricted Funds	-0-	2,000,000	-0-
11	014. Install Exterior Signage - West Kentucky CTC			
12	Restricted Funds	-0-	1,200,000	-0-
13	015. Renovate Broadway Building Facade - Jefferson CTC			
14	Restricted Funds	-0-	1,200,000	-0-
15	016. Construct Multicultural Center Atrium Enclosure - Jefferson CTC Reauthorization			
16	(\$3,000,000 Restricted Funds)			
17	017. Asset Preservation Pool - 2022-2024 Reauthorization (\$26,890,000 Restricted Funds)			
18	018. Lease - Jefferson CTC - Bullitt County Campus			
19	019. Lease - Jefferson CTC - Jefferson Education Center			

K. PUBLIC PROTECTION CABINET

21	Budget Unit	2026-27	2027-28
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1. HOUSING, BUILDINGS AND CONSTRUCTION

23	001. Modernize Application System Reauthorization (\$3,588,000 Restricted Funds)		
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L. TOURISM, ARTS AND HERITAGE CABINET

25	Budget Units	2026-27	2027-28
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1. SECRETARY

27	001. Northern Kentucky Convention Center Renovation and Expansion		
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1	Restricted Funds	18,000,000	-0-
2	Agency Bonds	40,000,000	-0-
3	TOTAL	58,000,000	-0-

4 **(1) Procurement Authority:** Notwithstanding any statute or administrative regulation to
5 the contrary, the Northern Kentucky Convention Center Corporation, created under KRS 154.90-
6 010, is authorized to act on behalf of the Commonwealth in lieu of the Finance and
7 Administration Cabinet for all planning, design, procurement, construction execution and
8 administration, and completion activities for the renovation and modernization for the Northern
9 Kentucky Convention Center. The Secretary of the Finance and Administration Cabinet shall
10 maintain authority to determine any protests or controversies under KRS 45A.285 with respect to
11 the project.

12 **2. ARTISANS CENTER**

13 **001.** Maintenance Pool - 2026-2028

14	Investment Income	500,000	500,000
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15 **3. PARKS**

16 **001.** Maintenance Pool - 2026-2028

17	Investment Income	10,000,000	10,000,000
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18 **002.** JJ Audubon New Conference Center Reauthorization (\$7,500,000 Bond Funds) and
19 Reauthorization and Reallocation (\$2,800,000 Bond Funds)

20 **(1) Reauthorization and Reallocation:** The above Bond Funds in the amount of
21 \$2,800,000 are authorized from a reauthorization and reallocation of the project set forth in 2022
22 Ky. Acts ch. 199, Part II, J., 2., 002.

23 **4. HORSE PARK COMMISSION**

24 **001.** Maintenance Pool - 2026-2028

25	Investment Income	1,500,000	1,500,000
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26 **5. STATE FAIR BOARD**

27 **001.** Maintenance Pool - 2026-2028

1	Investment Income	3,000,000	3,000,000
2	6. FISH AND WILDLIFE RESOURCES		
3	001. Fees-in-Lieu-of Stream Mitigation Projects Pool - 2026-2028		
4	Restricted Funds	64,500,000	48,600,000
5	002. Maintenance Pool - 2026-2028		
6	Restricted Funds	1,500,000	1,500,000
7	Federal Funds	1,500,000	1,500,000
8	TOTAL	3,000,000	3,000,000
9	003. Construct Western Kentucky Fish Hatchery		
10	Restricted Funds	33,528,000	-0-
11	004. Construct Indoor Gun Range and Law Enforcement Training Facility		
12	Restricted Funds	2,000,000	-0-
13	Federal Funds	18,000,000	-0-
14	TOTAL	20,000,000	-0-

15 **(1) Project Use:** The facility shall be multi-use for all law enforcement agencies to the
 16 extent allowable by federal law.

17 **7. HISTORICAL SOCIETY**

18 **001. Kentucky Old State Capitol Preservation Additional Reauthorization (\$2,185,000**
 19 **Bond Funds, \$169,000 Other Funds)**

20	Investment Income	5,023,000	-0-
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21 **8. KENTUCKY CENTER FOR THE ARTS**

22 **001. Maintenance Pool - 2026-2028**

23	Investment Income	550,000	550,000
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24 **PART III**

25 **GENERAL PROVISIONS**

26 **1. Funds Designations:** Restricted Funds designated in the biennial budget bills are
 27 classified in the state financial records and reports as the Agency Revenue Fund, State Enterprise

1 Funds (State Parks, State Fair Board, Insurance Administration, and Kentucky Horse Park),
2 Internal Services Funds (Fleet Management, Computer Services, Correctional Industries, Central
3 Printing, Risk Management, and Property Management), and selected Fiduciary Funds (Other
4 Expendable Trust Funds). Separate fund records and reports shall be maintained in a manner
5 consistent with the branch budget bills.

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

15 The sources of Federal Funds appropriations in this Act shall include federal subventions,
16 grants, contracts, or other Federal Funds received, income from investments, other miscellaneous
17 federal receipts received by a budget unit, and the Unemployment Compensation Fund, except as
18 otherwise provided, for the purposes, use, and benefit of the budget unit as authorized by law.
19 Federal Funds receipts shall be credited and allotted to the respective fund account out of which
20 a specified appropriation is made in this Act. All Federal Funds receipts shall be deposited in the
21 State Treasury and credited to the proper account as provided in KRS Chapters 12, 42, 45, and
22 48.

23 **2. Expenditure of Excess Restricted Funds or Federal Funds Receipts:** If receipts
24 received or credited to the Restricted Funds accounts or Federal Funds accounts of a budget unit
25 during fiscal year 2026-2027 or fiscal year 2027-2028, and any balance forwarded to the credit
26 of these same accounts from the previous fiscal year, exceed the appropriation made by a
27 specific sum for these accounts of the budget unit as provided in Part I, Operating Budget, of this

1 Act, for the fiscal year in which the excess occurs, the excess funds in the accounts of the budget
2 unit shall become available for expenditure for the purpose of the account during the fiscal year
3 only upon compliance with the conditions and procedures specified in KRS 48.400, 48.500,
4 48.600, 48.605, 48.610, 48.620, 48.630, 48.730, and 48.800, and with the authorization of the
5 State Budget Director and approval of the Secretary of the Finance and Administration Cabinet.

6 Prior to authorizing the appropriation of any excess, unbudgeted Restricted Funds pursuant
7 to this section, the State Budget Director and the Secretary of the Finance and Administration
8 Cabinet shall review the adequacy of the General Fund Surplus Account with respect to its
9 availability to support authorized expenditures from the General Fund Surplus Account, known
10 as Necessary Government Expenses. If General Fund Surplus Account moneys are determined
11 by this review to be adequate to meet known or anticipated Necessary Government Expenses
12 during fiscal year 2026-2027 or fiscal year 2027-2028, respectively, then the appropriation
13 increase may be approved. If the review indicates that there are insufficient funds available or
14 reasonably estimated to become available to the General Fund Surplus Account to meet known
15 or projected Necessary Government Expenses for the fiscal years enumerated above, the State
16 Budget Director and the Secretary of the Finance and Administration Cabinet may disapprove
17 the request for additional Restricted Funds expenditure authority and may direct the excess
18 Restricted Funds identified to the General Fund Surplus Account in order to meet Necessary
19 Government Expense obligations. The results of any review shall be reported to the Interim Joint
20 Committee on Appropriations and Revenue in accordance with KRS 48.400, 48.500, 48.600,
21 48.605, 48.610, 48.620, 48.630, 48.730, and 48.800.

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

27 Notwithstanding KRS 48.630(2), any request for allotment of unbudgeted appropriations

1 from any fund source shall be made in writing 30 days in advance of any allotment revision by
2 the head of the budget unit and transmitted simultaneously to the State Budget Director and the
3 Interim Joint Committee on Appropriations and Revenue. The State Budget Director shall report
4 all approved revisions of unbudgeted appropriations to the Interim Joint Committee on
5 Appropriations and Revenue within 14 days of the revision. This report shall include analysis,
6 including but not limited to the amount, necessity, remaining unbudgeted funds, and anticipated
7 future needs for unbudgeted funds.

8 Each budget unit shall submit its reports in print and electronic format consistent with the
9 Restricted Funds and Federal Funds records contained in the fiscal biennium 2026-2028 Branch
10 Budget Request Manual and according to the following schedule in each fiscal year: (a) on or
11 before the beginning of each fiscal year; (b) on or before October 1; (c) on or before January 1;
12 and (d) on or before April 1.

13 **3. Interim Appropriation Increases:** No appropriation from any fund source shall
14 exceed the sum specified in this Act until the agency has documented the necessity, purpose, use,
15 and source, and the documentation has been submitted to the Interim Joint Committee on
16 Appropriations and Revenue at least 30 days in advance for its review and action in accordance
17 with KRS 48.630 and Section 2. of this Part. Proposed revisions to an appropriation contained in
18 the enacted State/Executive Branch Budget or allotment of an unbudgeted appropriation shall
19 conform to the conditions and procedures of KRS 48.630 and this Act.

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

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

1 **6. Lapse of General Fund or Road Fund Appropriations Supplanted by Federal**
2 **Funds:** Notwithstanding KRS 45.229, any General Fund appropriation made in anticipation of a
3 lack, loss, or reduction of Federal Funds shall lapse to the Budget Reserve Trust Fund Account
4 (KRS 48.705) to the extent the Federal Funds otherwise become available. Any Road Fund
5 appropriation made in anticipation of a lack, loss, or reduction of Federal Funds shall lapse to the
6 Road Fund Surplus Account to the extent the Federal Funds otherwise become available.

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

9 **8. Lapse of General Fund or Road Fund Excess Debt Service Appropriations:**
10 Notwithstanding KRS 48.720, any excess General Fund debt service shall lapse to the Budget
11 Reserve Trust Fund Account (KRS 48.705) unless otherwise directed in this Act. Pursuant to
12 KRS 48.720, any excess Road Fund debt service shall lapse to the Road Fund Surplus Account
13 unless otherwise directed in this Act.

14 **9. Statutes in Conflict:** All statutes and portions of statutes in conflict with any of the
15 provisions of this Act, to the extent of the conflict, are suspended unless otherwise provided by
16 this Act, and any question arising shall be decided by the Attorney General.

17 **10. Interpretation of Appropriations:** Notwithstanding KRS 48.500, all questions that
18 arise in interpreting this Act and the Transportation Cabinet Budget shall be decided by the
19 Attorney General, and the decision of the Attorney General shall be final and conclusive.

20 **11. Publication of the Budget of the Commonwealth:** The State Budget Director shall
21 cause the Governor's Office for Policy and Management, within 60 days of adjournment of the
22 2026 Regular Session of the General Assembly, to publish a final enacted budget document,
23 styled the Budget of the Commonwealth, based upon the Legislative Branch Budget,
24 State/Executive Branch Budget, Transportation Cabinet Budget, and Judicial Branch Budget as
25 enacted by the 2026 Regular Session, as well as other Acts which contain appropriation
26 provisions for the 2026-2028 fiscal biennium, and based upon supporting documentation and
27 legislative records as considered by the 2026 Regular Session. This document shall include, for

1 each agency and budget unit, a consolidated budget summary statement of available regular and
2 continuing appropriated revenue by fund source, corresponding appropriation allocations by
3 program or subprogram as appropriate, budget expenditures by principal budget class, and any
4 other fiscal data and commentary considered necessary for budget execution by the Governor's
5 Office for Policy and Management and oversight by the Interim Joint Committee on
6 Appropriations and Revenue. The enacted State/Executive Branch Budget and Transportation
7 Cabinet Budget shall be revised or adjusted only upon approval by the Governor's Office for
8 Policy and Management as provided in each Part of this Act and by KRS 48.400 to 48.810, and
9 upon review and approval by the Interim Joint Committee on Appropriations and Revenue.

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

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

20 **14. Construction of Budget Provisions Regarding Executive Reorganization Orders:**
21 Nothing in this Act shall be construed to confirm or ratify, under KRS 12.028, any executive
22 reorganization order unless the executive order was confirmed or ratified by appropriate
23 amendment to the Kentucky Revised Statutes in another Act of the 2026 Regular Session of the
24 General Assembly.

25 **15. Executive Orders:** (1) For the purpose of ensuring transparent government, the
26 Governor shall provide a comprehensive report to the Legislative Research Commission
27 simultaneously with each and every executive order issued pertaining to:

- 1 (a) Authorizing the expenditure of state funds over \$10,000;
2 (b) Establishing or altering the organization of state agencies;
3 (c) Establishing or altering the services provided by state government; or
4 (d) Establishing a new program or altering an existing program administered by state
5 government.

6 (2) The comprehensive report shall contain the following items:

- 7 (a) A complete statement of each essential fact upon which the order is based;
8 (b) A complete statement of each goal sought through issuance of the order;
9 (c) A comprehensive analysis explaining how the executive order achieves each stated
10 goal with the least burden placed upon the constitutional rights of the citizens of the
11 Commonwealth of Kentucky and how each stated goal is accomplished with the most efficient
12 use of taxpayer money;
13 (d) A detailed estimate of the anticipated expenditures of all state funds and all state
14 employee time required for implementation or enforcement itemized in the smallest categories
15 reasonably identifiable and stated in weekly increments; and
16 (e) A detailed statement of all state funds and all state employee time actually expended
17 for implementation or enforcement of each and every prior executive order upon the same issue
18 or event or substantially similar issue or event itemized in the smallest categories reasonably
19 identifiable and stated in weekly increments.

20 Each comprehensive report shall be updated every 30 days subsequent to issuance of an
21 executive order and shall be provided to the Legislative Research Commission.

- 22 (3) Notwithstanding any statute to the contrary, except as provided in this Act, no state
23 funds or state employee time shall be expended by any person or agency to implement or enforce
24 any executive order issued other than as authorized by KRS Chapters 39A to 39F, as amended by
25 2021 Regular Session SB 1 and further amended by subsequent acts of the 2021 General
26 Assembly, or other than as may be implemented or enforced for a total sum not exceeding
27 \$100,000, inclusive of all state employee time and costs, or other than as may relate to an

1 emergency order issued relative to a natural disaster, or other than as may be approved by the
2 General Assembly.

3 **16. Tax Expenditure Revenue Loss Estimates:** By September 1 of each fiscal year, the
4 Office of State Budget Director shall provide to each branch of government detailed estimates
5 for the General Fund and Road Fund for the current and next two fiscal years of the revenue loss
6 resulting from tax expenditures. The Department of Revenue shall provide assistance and furnish
7 data, which is not restricted by KRS 131.190. "Tax expenditure" as used in this section means an
8 exemption, exclusion, or deduction from the base of a tax, a credit against the tax, a deferral of a
9 tax, or a preferential tax rate. The estimates shall include for each tax expenditure the amount of
10 revenue loss, a citation of the legal authority for the tax expenditure, the year in which it was
11 enacted, and the tax year in which it became effective.

12 **17. Duplicate Appropriations:** Any appropriation item and sum in Parts I to X of this
13 Act and in an appropriation provision in any Act of the 2026 Regular Session which constitutes a
14 duplicate appropriation shall be governed by KRS 48.312.

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

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

22 **20. Unclaimed Lottery Prize Money:** For fiscal year 2026-2027 and fiscal year 2027-
23 2028, all unclaimed lottery prize money under KRS 154A.110(3) shall be credited to the
24 Kentucky Educational Excellence Scholarship Reserve Account to be held as a subsidiary
25 account within the Finance and Administration Cabinet for the purpose of funding the KEES
26 Program as appropriated in this Act. If the Kentucky Higher Education Assistance Authority
27 certifies to the State Budget Director that the appropriations in this Act for the KEES Program

1 under the existing award schedule are insufficient to meet funds required for eligible applicants,
2 then the State Budget Director shall provide the necessary allotment of funds in the balance of
3 the KEES Reserve Account to fund the KEES Program. Actions taken under this section shall be
4 reported to the Interim Joint Committee on Appropriations and Revenue on a timely basis.

5 **21. Workers' Compensation:** Notwithstanding KRS 342.340(1) and 803 KAR 25:021,
6 Section 4, the Personnel Cabinet shall be exempt from procuring excess risk insurance in fiscal
7 year 2026-2027 and fiscal year 2027-2028 for the Workers' Compensation Benefits and Reserve
8 Program administered by the Cabinet.

9 **22. Carry Forward and Undesignated General Fund and Road Fund Carry**
10 **Forward:** Notwithstanding KRS 48.700 and 48.705, and other Parts of this Act, the Secretary of
11 the Finance and Administration Cabinet shall determine and certify, within 30 days of the close
12 of fiscal year 2025-2026 and fiscal year 2026-2027, the actual amount of undesignated balance
13 of the General Fund and the Road Fund for the year just ended. The amounts from the
14 undesignated fiscal year 2025-2026 and fiscal year 2026-2027 General Fund and Road Fund
15 balances that are designated and carried forward for budgeted purposes in the 2026-2028 fiscal
16 biennium shall be determined by the State Budget Director during the close of the respective
17 fiscal year and shall be reported to the Interim Joint Committee on Appropriations and Revenue
18 within 30 days of the close of the fiscal year. Any General Fund undesignated balance in excess
19 of the amount designated for budgeted purposes under this section shall be made available for
20 the General Fund Surplus Expenditure Plan contained in Part VII of this Act unless otherwise
21 provided in this Act. The Road Fund undesignated balance in excess of the amount designated
22 for budgeted purposes under this section shall be made available for the Road Fund Surplus
23 Expenditure Plan contained in Part IX of this Act unless otherwise provided in this Act.

24 **23. Budget Implementation:** The General Assembly directs the Executive Branch to
25 carry out all appropriations and budgetary language provisions as contained in the
26 State/Executive Branch Budget. The Legislative Research Commission shall review quarterly
27 expenditure data to determine if an agency is out of compliance with this directive. If the

1 Legislative Research Commission suspects that any entity has acted in non-conformity with this
2 section, the Legislative Research Commission may order an audit or review at the agency's
3 expense. Such audit findings, reviews, and reports shall be subject to the Kentucky Open
4 Records Act. The Secretary of each Cabinet, the Commissioner of Education, or agency head
5 shall provide, in the form and manner prescribed by the Legislative Research Commission, a
6 comprehensive annual report, beginning September 1, 2026, to the Interim Joint Committee on
7 Appropriations and Revenue detailing expenditures related to the appropriations contained
8 within the budgetary language provisions for each budget unit within their cabinet. If an agency
9 does not expend the full General Fund or Road Fund appropriations contained within a budgetary
10 language provision, the unexpended funds shall be transferred to the Budget Reserve Trust Fund
11 Account (KRS 48.705) or the Road Fund Surplus Account (KRS 48.710), respectively.

12 **24. Appropriations Expenditure Purpose and Transfer Restrictions:** Funds
13 appropriated in this Act shall be expended only for the purposes specified and authorized by the
14 General Assembly in this Act. No funds appropriated in this Act shall be transferred to or
15 between any cabinet, department, board, commission, institution, agency, or budget unit of state
16 government unless specifically authorized by the General Assembly in this Act and KRS 48.400
17 to 48.810. Semiannually, beginning February 1, 2027, the State Budget Director shall submit a
18 letter to the Legislative Research Commission certifying any known violations of any provision
19 of this section for that six-month period or any prior six-month period. Compliance with the
20 provisions of this section shall be reviewed and determined by the Interim Joint Committee on
21 Appropriations and Revenue.

22 **25. Information Technology:** All authorized computer information technology projects
23 shall submit a semiannual progress report to the Capital Projects and Bond Oversight Committee
24 and the Information Technology Oversight Committee. The reporting process shall begin six
25 months after the project is authorized and shall continue through completion of the project. The
26 initial report shall establish a timeline for completion and cash disbursement schedule. Each
27 subsequent report shall update the timeline and budgetary status of the project and explain in

1 detail any issues with completion date and funding.

2 **26. Equipment Service Contracts and Energy Efficiency Measures:** The General
3 Assembly mandates that the Finance and Administration Cabinet review all equipment service
4 contracts to maximize savings to the Commonwealth to strictly adhere to the provisions of KRS
5 56.772, 56.782, and 56.784 in maximizing the use of energy efficiency measures.

6 **27. Debt Restructuring:** Notwithstanding any other provision of the Kentucky Revised
7 Statutes, no General Fund or Road Fund debt restructuring transactions shall be undertaken
8 during the 2026-2028 fiscal biennium.

9 **28. Effects of Subsequent Legislation:** If any measure enacted during the 2026 Regular
10 Session of the General Assembly subsequent to this Act contains an appropriation or is projected
11 to increase or decrease General Fund revenues, the amount in the Budget Reserve Trust Fund
12 shall be revised to accommodate the appropriation or the reduction or increase in projected
13 revenues. Notwithstanding any provision of KRS 48.120(3) and (4) to the contrary, the official
14 enacted revenue estimates of the Commonwealth described in KRS 48.120(4) shall be adjusted at
15 the conclusion of the 2026 Regular Session of the General Assembly, respectively, to incorporate
16 any projected revenue increases or decreases that will occur as a result of actions taken by the
17 General Assembly subsequent to the passage of this Act by both chambers.

18 **29. Permitted Use of Water and Sewer Bond Funds:** Notwithstanding Part II, (3) of
19 this Act and any statute to the contrary, any balances remaining for either closed or open project
20 grant agreements authorized pursuant to bond pools set forth in 2003 Ky. Acts ch. 156, Part II,
21 A., 3., d. Water and Sewer Resources Development Fund for Tobacco Counties and e. Water and
22 Sewer Resources Development Fund For Coal Producing Counties; 2005 Ky. Acts ch. 173, Part
23 II, A., 3., 003. Infrastructure for Economic Development Fund for Coal-Producing Counties and
24 004. Infrastructure for Economic Development Fund for Tobacco Counties; 2006 Ky. Acts ch.
25 252, Part II, A., 2., 003. Infrastructure for Economic Development Fund for Non-Coal Producing
26 Counties and 004. Infrastructure for Economic Development Fund for Coal-Producing Counties;
27 2008 Ky. Acts ch. 123, Section 3., 004. Infrastructure for Economic Development Fund for Coal-

1 Producing Counties and 005. Infrastructure for Economic Development Fund for Non-Coal
2 Producing Counties; 2008 Ky. Acts ch. 174, Section 2.; and 2009 Ky. Acts ch. 87, Section 2.
3 shall not lapse and shall remain to the credit of projects previously authorized by the General
4 Assembly unless expressly reauthorized and reallocated by action of the General Assembly.

5 **30. Approval of State Aircraft Travel:** Notwithstanding KRS 45.101, 174.508, and any
6 other statute or administrative regulation to the contrary, the use of state aircraft by any secretary
7 or other state official of any Executive Branch cabinet for out-of-state travel shall be approved
8 by the State Treasurer. The State Treasurer shall only approve requests which document that the
9 use of state aircraft is the lowest cost option as measured by both travel costs and travel time.
10 The State Treasurer shall not designate approval authority for out-of-state travel on state aircraft
11 by Executive Branch cabinet secretaries or other state officials to any other person. Any requests
12 and documentation regarding the use of state aircraft collected by the State Treasurer shall be
13 subject to the Kentucky Open Records Act, KRS 61.870 to 61.884.

14 **31. Electronic Access to Budget Information:** In accordance with KRS 48.950, the
15 State Budget Director shall continue to work cooperatively with the Legislative Research
16 Commission to provide relevant budgetary information in a timely manner. To ensure that this
17 information is transmitted in its most useful format, the State Budget Director shall provide
18 electronic versions of all documents requested by the Legislative Research Commission in an
19 editable format in order for documents to be manipulated without the use of specialized software.
20 Electronic access shall also include the ability to access and view, but not edit, documents
21 contained in KBUD and all related or successor budgetary systems of record.

22 **32. Motor Vehicles:** Notwithstanding any statute to the contrary, no agency, department,
23 air pollution control district, or political subdivision of the Commonwealth, including the
24 Transportation Cabinet, shall mandate the purchase of electric vehicles, and no Request for
25 Proposal shall limit purchasing of vehicles to solely electric vehicles.

26 **33. Fiscal Year 2027-2028 Funds Expenditure Restriction:** Except in the case of a
27 declared emergency, the Governor, all agency heads, and all other constitutional officers shall

1 not expend or encumber in the aggregate more than 50 percent of the funds appropriated by this
2 Act during the first half of fiscal year 2027-2028.

3 **34. Operating Expense Reduction:** (1) The State Auditor has identified that in fiscal
4 year 2024-2025 the Executive Branch spent \$365,118,727 on the following expense codes:

- 5 (a) Employee Training - State Employee Only (E133) \$6,718,307;
- 6 (b) Advertising Services (E147) \$9,362,940;
- 7 (c) Temporary Manpower Services (E191) \$69,770,650;
- 8 (d) Advertising (E255) \$29,692,913;
- 9 (e) Services Not Otherwise Classified (E257) \$51,802,056;
- 10 (f) Expenses Related to Trade Shows (E259) \$4,605,317;
- 11 (g) Food Products (E341) \$5,369,478;
- 12 (h) Subscriptions (E353) \$3,273,091;
- 13 (i) In-State Travel (E361) \$23,278,869;
- 14 (j) Out of State Travel (E362) \$7,438,490;
- 15 (k) Travel for Non-State Employees (E363) \$3,983,338;
- 16 (l) Dues (E381) \$10,336,469; and
- 17 (m) Other (E399) \$118,383.22.

18 (2) The State Budget Director, the Secretary of the Executive Cabinet, and the Secretary
19 of the Finance and Administration Cabinet shall take the necessary steps to reduce the expenses
20 for the Executive Branch, in codes E361 and E362, in the fourth fiscal quarter of fiscal year
21 2025-2026. The State Budget Director shall also submit a written report to the Interim Joint
22 Committee on Appropriations and Revenue by August 1, 2026, concerning the Executive Branch
23 expenditures assigned to these codes for fiscal year 2025-2026.

24 (3) In order to implement the 2026 General Assembly's policy and fiscal directives of the
25 contained in Part I, Operating Budget, of this Act, it will be necessary for the Executive Branch
26 to reduce the operating cost of each agency. To accomplish this policy directive, unless
27 otherwise directed by State or Federal Law or required by Court Order, the State Budget

1 Director, the Secretary of the Finance and Administration Cabinet, and the Secretary of the
2 Personnel Cabinet shall take the necessary steps to reduce, modify, or eliminate the expenditures
3 of state agencies in the following priority order:

4 (a) Temporary Manpower Services personnel and contracts;

5 (b) Advertising Services and other advertising costs, by requiring that the prior written
6 approval of the Secretary of the Finance and Administration Cabinet be secured before any
7 expense is incurred in these code areas;

8 (c) Out-of-state travel should require and receive prior written approval of the Secretary
9 of the Finance and Administration Cabinet;

10 (d) Practice of providing food and meals that cost more than is set out in the in-state
11 travel guideline allowance for employees attending meetings, unless the prior written approval of
12 the State Budget Director has been secured;

13 (e) Prior written approval of the agency head for any conference, meeting, or event that
14 will require in-state travel of 20 employees or more;

15 (f) Prior written approval of the agency head for any expense that will be charged to the
16 eMARS code E257 (Services Not Otherwise Classified), code E399 (Other), or code E259
17 (Expenses Related to Trade Shows);

18 (g) Abolishment of positions that have remained vacant for six months;

19 (h) Moratorium on all discretionary salary increases; and

20 (i) Reduction, modification, or elimination of programs or services not required by state
21 or federal law or regulation.

22 (4) Quarterly, beginning June 15, 2026, the Secretary of the Finance and Administration
23 Cabinet and the State Budget Director shall provide a written report to the Interim Joint
24 Committee on Appropriations and Revenue on the actions taken to implement the policy and
25 fiscal directives provided in this Part. That report shall contain at least the following:

26 (a) A listing of all prior approvals granted that are required by subsection (3)(b), (c), (d),
27 (e), and (f) of this section;

1 (b) A comparison of the charges processed to the codes listed in subsection (1) of this
2 section between the past month of the current fiscal year and the same month of the previous
3 fiscal year; and

4 (c) The identification of any other policy decisions, directives, or actions taken by the
5 Executive Branch in the past month to reduce the operating cost of programs, services, or
6 activities of the Executive Branch.

7 **35. Operational Expenditures Data:** The head of each budget unit shall, by October 1,
8 2026, submit a report to the Legislative Oversight and Investigations Committee and the Interim
9 Joint Committee on Appropriations and Revenue with the following information and data
10 pertaining to the historical and projected operational expenditures for each budget unit:

11 (1) Identifying information of the budget unit; and

12 (2) A description of each program, function, service, or benefit provided by the budget
13 unit, including but not limited to the following:

14 (a) Measurable outcome data for the program, function, service, or benefit provided in
15 fiscal year 2025-2026 and projected for fiscal years 2026–2027 and 2027–2028 for programs,
16 functions, services, or benefits that are statutorily mandated;

17 (b) Measurable outcome data for the program, function, service, or benefit provided in
18 fiscal year 2025-2026 and projected for fiscal years 2026–2027 and 2027–2028 for programs,
19 functions, services, or benefits that are not statutorily mandated;

20 (c) Identification of any contracts or grants with other state budget units or external
21 providers engaged to provide or assist in providing the program, function, service, or benefit in
22 fiscal years 2025-2026, 2026-2027, or 2027-2028;

23 (d) The number of full-time, part-time, and other filled positions assigned to the program,
24 function, service, or benefit on July 1 of each fiscal year;

25 (e) The number and projected cost of all temporary manpower service personnel
26 assigned to the program, function, service, or benefit as of July 1 each fiscal year;

27 (f) The actual expenditures, by fund source, for each program, function, service, or

1 benefit for fiscal year 2025-2026;

2 (g) The projected expenditures, by fund source, by fiscal year, for each program,
3 function, service, or benefit for fiscal years 2026-2027 and 2027-2028; and

4 (h) The actual balance of any Restricted Funds or Agency Trust Funds assigned to the
5 program, function, service, or benefit as of July 1, 2026, and projected to be on July 1, 2027, and
6 July 1, 2028.

7 The information shall be submitted only in a format prescribed by the Legislative
8 Oversight and Investigations Committee.

9 The head of each budget unit shall, within 30 days, provide any follow-up or additional
10 information on the programs, functions, services, or benefits provided by the budget unit
11 requested by the Legislative Research Commission or a subcommittee thereof.

12 **36. Control of Deadly Weapons:** Notwithstanding KRS 237.115, during the period of
13 the 2026-2028 fiscal biennium and the ongoing renovation of the State Capitol and associated
14 facilities in Frankfort, the General Assembly shall have the authority to regulate, restrict, or
15 prohibit the carrying of deadly weapons, whether concealed or unconcealed, within the buildings
16 or portions of buildings controlled, occupied, or inhabited by the Legislative Branch.

17 **37. Quarter Horse Racing Acquisition and Infrastructure:** The Kentucky Horse
18 Racing and Gaming Corporation, with the approval of the Kentucky Quarter Horse Racing
19 Association, may utilize funds as established by KRS 230.405 and regulated by 810 KAR 7:080
20 to purchase the rights to a Grade I Quarter Horse race. Any race acquired under this section shall
21 be conducted at a licensed track or association within the Commonwealth of Kentucky, and all
22 rights shall vest in the Kentucky Quarter Horse Racing Association.

23 A track or association located within the Commonwealth of Kentucky that offers a Grade I
24 Quarter Horse race shall be authorized, upon approval by the Kentucky Quarter Horse Racing
25 Association, to seek and receive funds from the Kentucky Horse Racing and Gaming
26 Corporation. These funds shall be utilized for infrastructure reasonably necessary to ensure the
27 safety and integrity of the race meets.

1 Total expenditures authorized under this section shall not exceed 20 percent of the total
2 current receipts of the fund established by KRS 230.405. All such funds shall be appropriated by
3 the Corporation no later than March 1, 2027.

4 **PART IV**

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

6 **1. Authorized Personnel Complement:** On July 1, 2026, and July 1, 2027, the
7 Personnel Cabinet and the Office of State Budget Director shall establish a record for each
8 budget unit of authorized permanent full-time and other positions based upon the enacted
9 State/Executive Branch Budget of the Commonwealth and any adjustments authorized by
10 provisions in this Act. The total number of filled permanent full-time and all other positions shall
11 not exceed the authorized complements pursuant to this section. An agency head may request an
12 increase in the number of authorized positions to the State Budget Director. Upon approval of the
13 State Budget Director, the Secretary of the Personnel Cabinet may authorize the employment of
14 individuals in addition to the authorized complement. A report of the actions authorized in this
15 section shall be provided to the Legislative Research Commission on a monthly basis.

16 **2. Salary Increment:** Notwithstanding KRS 18A.355, relating to anniversary date, and
17 notwithstanding KRS 156.808(6)(e) and 163.032(1), a two percent salary increase is provided,
18 effective July 1, 2026, and a two percent salary increase is provided, effective July 1, 2027, on
19 the base salary or wages of each eligible state employee.

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

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

26 **5. Employer Retirement Contribution Rates:** Notwithstanding KRS 61.565 and
27 61.702, the employer contribution rates for Kentucky Employees Retirement System from July

1 1, 2026, through June 30, 2028, and except as otherwise provided in this Act, shall be 18.83
2 percent, consisting of 18.83 percent for pension for hazardous duty employees; for the same
3 period, the employer contribution for employees of the State Police Retirement System shall be
4 54.33 percent, consisting of 51.84 percent for pension and 2.49 percent for health insurance.
5 Notwithstanding any other provision of this Act or KRS 61.565 or 61.702 to the contrary, the
6 initial actuarially accrued liability employer contribution rate for fiscal year 2026-2027 and for
7 fiscal year 2027-2028, for nonhazardous employees in the Executive Branch departments shall
8 be determined by the State Budget Director by May 1 prior to the beginning of each fiscal year.
9 The employer contribution rate shall include the normal cost contribution of 7.76 percent and be
10 sufficient to adhere to the prorated amount of the actuarially accrued liability to each individual
11 nonhazardous employer as determined by the Kentucky Employees Retirement System. The
12 rates in this section apply to wages and salaries earned for work performed during the described
13 period regardless of when the employee is paid for the time worked.

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

23 **7. State Group Health Insurance Plan - Transfer Between Plan Years:**
24 Notwithstanding KRS 18A.2254, the Secretary of the Finance and Administration Cabinet and
25 the Secretary of the Personnel Cabinet are authorized to use the excess funds from any prior plan
26 year to satisfy claims or expenses in Plan Year 2022, Plan Year 2023, Plan Year 2024, and Plan
27 Year 2025.

1 Notwithstanding KRS 15.430 and 136.392(2), these funds transfers to the General Fund
 2 support the General Fund debt service for the capital project in 2022 Ky. Acts ch. 199, Part II,
 3 H., 2., 002.

4 TOTAL - FUNDS TRANSFER 26,368,000 38,768,000

5 **PART VI**

6 **GENERAL FUND BUDGET REDUCTION PLAN**

7 Pursuant to KRS 48.130 and 48.600, a General Fund Budget Reduction Plan is enacted for
 8 state government in the event of an actual or projected revenue shortfall in General Fund revenue
 9 receipts, excluding Tobacco Settlement – Phase I receipts, of \$15,498,900,000 in fiscal year
 10 2025-2026, \$15,882,000,000 in fiscal year 2026-2027, and \$16,232,200,000 in fiscal year 2027-
 11 2028, as modified pursuant to Part III, 28. of this Act and by related Acts and actions of the
 12 General Assembly in any subsequent extraordinary or regular session. Notwithstanding KRS
 13 48.130, direct services, obligations essential to the minimum level of constitutional functions,
 14 and other items that may be specified in this Act, are exempt from the requirements of this Plan.
 15 Each branch head shall prepare a specific plan to address the proportionate share of the General
 16 Fund revenue shortfall applicable to the respective branch. No budget revision action shall be
 17 taken by a branch head in excess of the actual or projected revenue shortfall.

18 The Governor, the Secretary of State, the Attorney General, the Treasurer, the
 19 Commissioner of Agriculture, the Auditor of Public Accounts, the Chief Justice, and the
 20 Legislative Research Commission shall direct and implement reductions in allotments and
 21 appropriations only for their respective branch budget units as may be necessary, as well as take
 22 other measures which shall be consistent with the provisions of this Part and biennial branch
 23 budget bills.

24 Pursuant to KRS 48.130(4), in the event of a revenue shortfall of five percent or less, the
 25 following General Fund budget reduction actions shall be implemented:

- 26 (1) The Local Government Economic Assistance Fund and the Local Government
 27 Economic Development Fund shall be adjusted by the Secretary of the Finance and

1 Administration Cabinet to equal revised estimates of receipts pursuant to KRS 42.4582 as
2 modified by the provisions of this Act;

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

7 (a) Local Government Economic Assistance Fund and Local Government Economic
8 Development Fund;

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

12 (c) The Kentucky Permanent Pension Fund;

13 (3) Lapse unexpended debt service;

14 (4) Any unanticipated Phase I Master Settlement Agreement revenues in both fiscal years
15 shall be appropriated according to Part X of this Act and shall not be transferred to the General
16 Fund;

17 (5) Use of the unappropriated balance of the General Fund surplus shall be applied;

18 (6) Any language provision that expresses legislative intent regarding a specific
19 appropriation shall not be reduced by a greater percentage than the reduction to the General Fund
20 appropriation for that budget unit;

21 (7) Lapse contributions appropriated to pensions in excess of statutory requirements;

22 (8) Lapse contributions appropriated to pension insurance in excess of actuarially
23 required contributions;

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

1 (10) Notwithstanding subsection (9) of this Part, no reductions shall be made to the
2 Secretary of State, the Attorney General, the Treasurer, the Commissioner of Agriculture, or the
3 Auditor of Public Accounts, or their offices, Commonwealth's Attorneys or their offices, or
4 County Attorneys or their offices. The Governor may request their participation in a budget
5 reduction; however, the level of participation shall be at the discretion of the Constitutional
6 Officer or the Prosecutors Advisory Council, and shall not exceed the actual percentage of
7 revenue shortfall;

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

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

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

24 (13) Within 15 days of the enactment of a General Fund Budget Reduction Plan, the
25 Secretary of each cabinet, the Commissioner of Education, or the head of each agency, shall
26 submit a report to the Interim Joint Committee on Appropriations and Revenue detailing the plan
27 for implementation of the reduction, including any personnel actions, programmatic changes, or

1 other measures necessary to achieve the required reduction.

2 **PART VII**

3 **GENERAL FUND SURPLUS EXPENDITURE PLAN**

4 (1) Notwithstanding KRS 48.130(7), 48.140(3), 48.700, and 48.705, there is established a
5 plan for the expenditure of General Fund surplus moneys pursuant to a General Fund Surplus
6 Expenditure Plan contained in this Part for fiscal years 2025-2026, 2026-2027, and 2027-2028.
7 Pursuant to the enactment of the Surplus Expenditure Plan, General Fund moneys made available
8 for the General Fund Surplus Expenditure Plan pursuant to Part III, General Provisions, Section
9 22. of this Act are appropriated to the following:

10 (a) Expenditures without a sum-specific appropriation amount, known as Necessary
11 Government Expenses, as authorized in Part I of this Act;

12 (b) The entire remaining amount to the Budget Reserve Trust Fund; and

13 (c) No surplus moneys in any fiscal year shall be reserved for Necessary Government
14 Expenses in a subsequent fiscal year.

15 (2) The Secretary of the Finance and Administration Cabinet shall determine, within 30
16 days after the close of each fiscal year, based on the official financial records of the
17 Commonwealth, the amount of actual General Fund undesignated fund balance for the General
18 Fund Surplus Account that may be available for expenditure pursuant to the Plan in fiscal year
19 2026-2027 and fiscal year 2027-2028. The Secretary of the Finance and Administration Cabinet
20 shall certify the amount of actual General Fund undesignated fund balance available for
21 expenditure to the Legislative Research Commission.

22 **PART VIII**

23 **ROAD FUND BUDGET REDUCTION PLAN**

24 There is established a Road Fund Budget Reduction Plan for fiscal years 2025-2026, 2026-
25 2027, and 2027-2028. Notwithstanding KRS 48.130(1) and (3) relating to statutory appropriation
26 adjustments related to the revenue sharing of motor fuels taxes, in the event of an actual or
27 projected revenue shortfall in Road Fund revenue receipts of \$1,844,000,000 in fiscal year 2025-

1 2026, \$1,836,000,000 in fiscal year 2026-2027, and \$1,909,400,000 in fiscal year 2027-2028, as
2 modified by related Acts and actions of the General Assembly in an extraordinary or regular
3 session, the Governor shall implement sufficient reductions as may be required to protect the
4 highest possible level of service.

5 Within 15 days of the enactment of a Road Fund Budget Reduction Plan, the Secretary of
6 each cabinet or the head of each agency shall submit a report to the Interim Joint Committee on
7 Appropriations and Revenue detailing the plan for implementation of the reduction, including
8 any personnel actions, programmatic changes, or other measures necessary to achieve the
9 required reduction.

10 PART IX

11 ROAD FUND SURPLUS EXPENDITURE PLAN

12 Notwithstanding KRS 48.110, 48.140, and 48.710, there is established a plan for the
13 expenditure of the Road Fund Surplus Account. All moneys in the Road Fund Surplus Account
14 shall be appropriated to the State Construction Account within the Highways budget unit and
15 utilized to support projects in the 2026-2028 Biennial Highway Construction Program.

16 PART X

17 PHASE I TOBACCO SETTLEMENT

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

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

27 **(3) MSA Payment Amount Variables:** The total settlement amount to be distributed on

1 each payment date is subject to change pursuant to several variables provided in the MSA,
2 including inflation adjustments, volume adjustments, previously settled states adjustments, and
3 the nonparticipating manufacturers adjustment.

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

10 **(5) MSA Payment Estimates and Adjustments:** Based on the official estimates of the
11 Consensus Forecasting Group, the amount of MSA payments expected to be received in fiscal
12 year 2026-2027 is \$82,800,000 and in fiscal year 2027-2028 is \$77,400,000. It is recognized that
13 payments to be received by the Commonwealth are estimated and are subject to change. If MSA
14 payments received are less than the official estimates, appropriation reductions shall be applied
15 as follows: after exempting appropriations for debt service, the Attorney General, and the
16 Department of Revenue, 50 percent to the Agricultural Development Fund, 30 percent to the
17 Early Childhood Development Fund, and 20 percent to the Health Care Improvement Fund. If
18 MSA payments received exceed the official estimates, appropriation increases shall be applied as
19 follows: after exempting appropriations for debt service, the Attorney General, and the
20 Department of Revenue, 50 percent to the Agricultural Development Fund, 30 percent to the
21 Early Childhood Development Fund, and 20 percent to the Health Care Improvement Fund.

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

1 be as follows:

2 **1. GENERAL GOVERNMENT**

3 Budget Unit	2026-27	2027-28
4 a. Attorney General	150,000	150,000

5 **2. FINANCE AND ADMINISTRATION CABINET**

6 Budget Unit	2026-27	2027-28
7 a. Revenue	250,000	250,000

8 **B. DEBT SERVICE**

9 **GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS**

10 Notwithstanding KRS 248.654 and 248.703(4), appropriations for debt service shall be as
 11 follows:

12 **1. FINANCE AND ADMINISTRATION CABINET**

13 Budget Unit	2026-27	2027-28
14 a. Debt Service	14,100,200	13,880,900

15 **(1) Debt Service:** To the extent that revenues sufficient to support the required debt
 16 service appropriations are received from the Tobacco Settlement Program, those revenues shall
 17 be made available from those accounts to the appropriate account of the General Fund. All
 18 necessary debt service amounts shall be appropriated from the General Fund and shall be fully
 19 paid regardless of whether there is a sufficient amount available to be transferred from tobacco-
 20 supported funding program accounts to other accounts of the General Fund.

21 **(2) Appropriation of Unexpended Tobacco Debt Service:** Any unexpended balance
 22 from the fiscal year 2026-2027 or fiscal year 2027-2028 General Fund (Tobacco) debt service
 23 appropriation in the Finance and Administration Cabinet, Debt Service budget unit, shall
 24 continue and be appropriated to the Department of Agriculture, Kentucky Office of Agricultural
 25 Policy.

26 **C. AGRICULTURAL DEVELOPMENT APPROPRIATIONS**

27 **GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS**

1 Notwithstanding KRS 248.654 and 248.703(4), appropriations for Agricultural
 2 Development shall be as follows:

3 **1. DEPARTMENT OF AGRICULTURE**

4 Budget Unit	2026-27	2027-28
5 a. Agriculture	35,426,900	32,739,700

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

10 **(2) Counties Account:** Notwithstanding KRS 248.703(1), included in the above General
 11 Fund (Tobacco) appropriation is \$11,777,900 in fiscal year 2026-2027 and \$10,884,600 in fiscal
 12 year 2027-2028 for the counties account as specified in KRS 248.703(1)(a).

13 **(3) State Account:** Notwithstanding KRS 248.703(1), included in the above General
 14 Fund (Tobacco) appropriation is \$21,876,000 in fiscal year 2026-2027 and \$20,216,500 in fiscal
 15 year 2027-2028 for the state account as specified in KRS 248.703(1)(b).

16 **(4) Farms to Food Banks Program:** Included in the above General Fund (Tobacco)
 17 appropriation is \$886,500 in fiscal year 2026-2027 and \$819,300 in fiscal year 2027-2028 to
 18 support the Farms to Food Banks Program. The use of the moneys provided by this appropriation
 19 shall be restricted to purchases of Kentucky-grown produce and protein from Kentucky farmers
 20 who participate in the Farms to Food Banks Program.

21 **(5) Kentucky Rural Mental Health, Suicide Prevention, and Farm Safety Program:**
 22 Included in the above General Fund (Tobacco) appropriation is \$886,500 in fiscal year 2026-
 23 2027 and \$819,300 in fiscal year 2027-2028 to support the Kentucky Rural Mental Health,
 24 Suicide Prevention, and Farm Safety Program known as the Raising Hope Initiative. The
 25 Department of Agriculture shall enhance awareness of the National Suicide Prevention Lifeline
 26 (988) in rural communities in Kentucky, improve access to information on rural mental health
 27 issues and available treatment services, provide outreach, and provide other necessary services to

1 improve the mental health outcomes of rural communities in Kentucky. The Farm Safety and
 2 Rural Health Division, at its discretion, may receive, accept, and solicit grants, contributions of
 3 money, property, labor, or other things of value from any governmental agency, individual,
 4 nonprofit organization, or private business to be used for the Kentucky Rural Mental Health,
 5 Suicide Prevention, and Farm Safety Program. The Department of Agriculture may utilize up to
 6 \$150,000 of the appropriation amount in each fiscal year for program administration purposes.
 7 The Department of Agriculture shall coordinate with the Raising Hope Initiative to take custody
 8 of and maintain any intellectual property assets that were created or developed by any state
 9 agency in connection with the Raising Hope Initiative.

10 The Department of Agriculture’s Office of Agricultural Marketing shall submit a
 11 comprehensive annual report to the Interim Joint Committee on Appropriations and Revenue and
 12 the Tobacco Settlement Agreement Fund Oversight Committee no later than November 1 of each
 13 fiscal year. At a minimum, the report shall include:

- 14 (a) An accounting of all expenditures by fund source;
- 15 (b) A detailed accounting of all administrative expenses;
- 16 (c) The total amount expended on grants, loans, and benefits;
- 17 (d) A detailed accounting of all expenses not otherwise classified;
- 18 (e) Identification of any unexpended funds and the reason why the funds were not
 19 expended; and
- 20 (f) An explanation of how all expenditures align with program objectives.

21 The Division Director of the Farm Safety and Rural Health Division and the Executive
 22 Director of the Kentucky Office of Agricultural Marketing shall provide a program update to the
 23 Tobacco Settlement Agreement Fund Oversight Committee in November of each fiscal year.

24 **2. ENERGY AND ENVIRONMENT CABINET**

25 Budget Unit	2026-27	2027-28
26 a. Natural Resources	2,659,600	2,457,900

27 **(1) Environmental Stewardship Program:** Included in the above General Fund

1 (Tobacco) appropriation is \$1,773,100 in fiscal year 2026-2027 and \$1,638,600 in fiscal year
 2 2027-2028 for the Environmental Stewardship Program.

3 **(2) Conservation District Local Aid:** Included in the above General Fund (Tobacco)
 4 appropriation is \$886,500 in fiscal year 2026-2027 and \$819,300 in fiscal year 2027-2028 for the
 5 Division of Conservation to provide direct aid to local conservation districts.

6 TOTAL - AGRICULTURAL 38,086,500 35,197,600

7 APPROPRIATIONS

8 **D. EARLY CHILDHOOD DEVELOPMENT**

9 **GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS**

10 Notwithstanding KRS 248.654, appropriations for Early Childhood Development shall be
 11 as follows:

12 **1. GENERAL GOVERNMENT**

13 Budget Unit	2026-27	2027-28
14 a. Auditor of Public Accounts	500,000	-0-

15 **(1) Certified Child Care Services Report:** Included in the above General Fund
 16 (Tobacco) appropriation is \$500,000 in fiscal year 2026-2027 to study the applicable statutes,
 17 administrative regulations, and agency policies and processes that directly impact the opening
 18 and operation of licensed and certified child care services in the Commonwealth. This
 19 appropriation is from the lapse and reallocation of Early Childhood Development Fund
 20 appropriations.

21 **2. EDUCATION AND LABOR CABINET**

22 Budget Unit	2026-27	2027-28
23 a. General Administration and Program Support	1,063,800	983,200

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

27 **3. CABINET FOR HEALTH AND FAMILY SERVICES**

1	Budget Units	2026-27	2027-28
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2	a. Community Based Services	10,195,200	9,421,900
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3 **(1) Early Childhood Development Program:** Included in the above General Fund
 4 (Tobacco) appropriation is \$8,422,100 in fiscal year 2026-2027 and \$7,783,300 in fiscal year
 5 2027-2028 for the Early Childhood Development Program.

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

		2026-27	2027-28
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10	b. Public Health	7,606,600	7,029,500

11 **(1) HANDS Program, Healthy Start, Early Childhood Mental Health, and Early**
 12 **Childhood Oral Health:** Included in the above General Fund (Tobacco) appropriation is
 13 \$5,301,500 in fiscal year 2026-2027 and \$4,899,400 in fiscal year 2027-2028 for the Health
 14 Access Nurturing Development Services (HANDS) Program, \$620,600 in fiscal year 2026-2027
 15 and \$573,500 in fiscal year 2027-2028 for Healthy Start initiatives, \$620,600 in fiscal year 2026-
 16 2027 and \$573,500 in fiscal year 2027-2028 for Early Childhood Mental Health, \$620,600 in
 17 fiscal year 2026-2027 for Early Childhood Oral Health, and \$443,300 in fiscal year 2026-2027
 18 and \$983,100 in fiscal year 2027-2028 for Lung Cancer Screening.

19	c. Behavioral Health, Developmental and	2026-27	2027-28
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20	Intellectual Disabilities Services	1,152,500	1,065,100
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21 **(1) Substance Abuse Prevention and Treatment:** Included in the above General Fund
 22 (Tobacco) appropriation is \$1,152,500 in fiscal year 2026-2027 and \$1,065,100 in fiscal year
 23 2027-2028 for substance abuse prevention and treatment for pregnant women with a history of
 24 substance abuse problems.

25 **4. POSTSECONDARY EDUCATION**

26	Budget Unit	2026-27	2027-28
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27	a. University of Kentucky	500,000	1,500,000
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1 Budget Units	2026-27	2027-28
2 a. Council on Postsecondary Education	6,165,900	5,745,500
3 (1) Cancer Research and Screening: Included in the above General Fund (Tobacco)		
4 appropriation is \$6,165,900 in fiscal year 2026-2027 and \$5,745,500 in fiscal year 2027-2028 for		
5 cancer research and screening to be shared equally between the University of Kentucky and the		
6 University of Louisville. Of these amounts, \$625,000 in each fiscal year is from the lapse and		
7 reallocation of Early Childhood Development Fund appropriations.		
8 b. University of Louisville	2,750,000	-0-
9 (1) Cancer Research: Included in the above General Fund (Tobacco) appropriation is		
10 \$2,750,000 in fiscal year 2026-2027 to fund cancer research at the Brown Cancer Center. This		
11 appropriation is from the lapse and reallocation of Early Childhood Development Fund		
12 appropriations.		
13 TOTAL - HEALTH CARE	13,570,200	10,046,800
14 TOTAL - PHASE I TOBACCO SETTLEMENT		
15 FUNDING PROGRAM	87,175,000	79,525,000

PART XI

STATE/EXECUTIVE BRANCH BUDGET SUMMARY

OPERATING BUDGET

	2025-26	2026-27	2027-28
20 General Fund (Tobacco)	-0-	86,675,000	79,524,900
21 General Fund	-0-	15,416,488,000	15,693,139,800
22 Restricted Funds	167,270,800	16,693,897,000	17,383,278,100
23 Federal Funds	405,900,000	24,307,745,100	24,118,660,800
24 Road Fund	-0-	55,582,600	57,940,100
25 SUBTOTAL	573,170,800	56,560,387,700	57,332,543,700

CAPITAL PROJECTS BUDGET

	2025-26	2026-27	2027-28
27			

1	Restricted Funds	-0-	20,064,946,000	89,901,000
2	Federal Funds	-0-	770,334,000	50,915,000
3	Bond Funds	-0-	1,033,161,000	387,474,000
4	Agency Bonds	-0-	1,250,800,000	-0-
5	Investment Income	-0-	183,324,000	105,633,000
6	Other Funds	350,000,000	9,427,800,000	200,000,000
7	SUBTOTAL	350,000,000	32,730,365,000	833,923,000

TOTAL - STATE/EXECUTIVE BUDGET

9		2025-26	2026-27	2027-28
10	General Fund (Tobacco)	-0-	86,675,000	79,524,900
11	General Fund	-0-	15,416,488,000	15,693,139,800
12	Restricted Funds	167,270,800	36,758,843,000	17,473,179,100
13	Federal Funds	405,900,000	25,078,079,100	24,169,575,800
14	Road Fund	-0-	55,582,600	57,940,100
15	Bond Funds	-0-	1,033,161,000	387,474,000
16	Agency Bonds	-0-	1,250,800,000	-0-
17	Investment Income	-0-	183,324,000	105,633,000
18	Other Funds	350,000,000	9,427,800,000	200,000,000
19	TOTAL FUNDS	923,170,800	89,290,752,700	58,166,466,700"

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Senate Members

House Members

Christian McDaniel _____

Mike Wilson _____

Max Wise _____

Robbie Mills _____

Robert Stivers _____

Amanda Mays Bledsoe _____

Julie Raque Adams _____

David Givens _____

Gerald Neal _____

Cassie Chambers Armstrong _____

Josh Bray _____

David Meade _____

Adam Bowling _____

Steven Rudy _____

Suzanne Miles _____

Jason Nemes _____

David Osbourne _____

Pam Stevenson _____

Lindsay Burke _____

Joshua Watkins _____

Jason Petrie _____

The above-named members, in separate votes by house, all concur in the provisions of this report.

DATE
April 1, 2026

For Clerk's Use:
Adopted: _____
Repassage Vote: _____