

COMMONWEALTH OF KENTUCKY
FRANKLIN CIRCUIT COURT
CIVIL ACTION NO. _____
DIVISION _____

COMMONWEALTH OF KENTUCKY
ex rel. ANDY BESHEAR, ATTORNEY GENERAL

PLAINTIFF

v.

**VERIFIED COMPLAINT FOR DECLARATION
OF RIGHTS AND A PERMANENT INJUNCTION**

COMMONWEALTH OF KENTUCKY,
OFFICE OF THE GOVERNOR
ex rel. MATTHEW G. BEVIN, in his official capacity
as Governor of the Commonwealth of Kentucky

SERVE: Office of the Attorney General
 The Capitol
 700 Capital Avenue
 Frankfort, Kentucky 40601-3449

and

COMMONWEALTH OF KENTUCKY,
FINANCE AND ADMINISTRATION CABINET
ex rel. WILLIAM M. LANDRUM, in his official capacity as
Secretary of the Kentucky Finance and Administration Cabinet

SERVE: Office of the Attorney General
 The Capitol
 700 Capital Avenue
 Frankfort, Kentucky 40601-3449

and

COMMONWEALTH OF KENTUCKY,
OFFICE OF STATE BUDGET DIRECTOR
ex rel. JOHN CHILTON, in his official capacity
as State Budget Director of the Commonwealth of Kentucky

SERVE: Office of the Attorney General
 The Capitol

700 Capital Avenue
Frankfort, Kentucky 40601-3449

and

COMMONWEALTH OF KENTUCKY,
KENTUCKY STATE TREASURY
ex rel. ALLISON BALL, in her official capacity
as Treasurer of the Commonwealth of Kentucky

DEFENDANTS

SERVE: Office of the Attorney General
The Capitol
700 Capital Avenue
Frankfort, Kentucky 40601-3449

* * * * *

Comes now the Plaintiff, Commonwealth of Kentucky, *ex rel.* Andy Beshear, Attorney General (hereinafter “Attorney General”), by and through counsel, and brings this action for a permanent injunction and declaration of rights against the Defendants, Matthew Griswold Bevin, Governor of the Commonwealth of Kentucky (hereafter “Governor Bevin”), William M. Landrum, Secretary of the Finance and Administration Cabinet (hereafter “Finance Secretary”), John Chilton, State Budget Director (hereafter “Budget Director”), and Allison Ball, Treasurer of the Commonwealth of Kentucky (hereafter “Treasurer”), all in their official capacities.

INTRODUCTION

On March 31, 2016, Governor Bevin, by executive fiat, unilaterally ordered a 4.5 percent reduction or cut to the current fiscal year’s general fund appropriation to nine public colleges and university systems (hereafter collectively referred to as “the universities”). Governor Bevin’s action was unconstitutional, as it violated the separation of powers, as well as his duty to “faithfully execute” the law as mandated by Kentucky’s Constitution. It further violated

numerous Kentucky statutes that govern budget reductions generally, as well as reductions to the 2014-2016 Biennium Budget specifically. Governor Bevin's action was illegal.

The Attorney General has a legal duty to uphold Kentucky's Constitution and its laws. As such, the Attorney General must ensure this Governor – or any Governor – comply with the law. The Attorney General, through this action for declaratory and injunctive relief, seeks to uphold the laws of the Commonwealth and respectfully asks this Court to:

- A. Declare the directive of Governor Bevin and the subsequent withholding of duly appropriated funds by the Governor, the Finance Secretary, the State Budget Director, and the Treasurer illegal;
- B. Permanently enjoin the Governor, the Finance Secretary, the Budget Director, and the Treasurer from reducing or withholding appropriations to the universities or to any other state agency;
- C. Order the Governor, the Finance Secretary, the Budget Director, and the Treasurer to provide the full appropriation to the universities forthwith.

NATURE OF ACTION

1. This Verified Complaint for a Declaration of Rights and Permanent Injunction is governed by the Kentucky Declaratory Judgment Act, KRS 418.010, *et seq.*, CR 57, and CR 65 and is initiated by the Attorney General pursuant to his authority under the Kentucky Constitution, KRS Chapter 15, and the common law.

2. KRS 418.040 provides this court with authority to “make a binding declaration of rights, whether or not consequential relief is or could be asked” when a controversy exists. An actual and justiciable controversy regarding violations of the Kentucky Constitution and state laws clearly exists in this action.

3. CR 65 permits this court, in a final judgment, to issue a permanent injunction which may restrict or mandatorily direct the doing of an act.

4. Furthermore, this justiciable controversy is capable of repetition but evading review as evidenced by Governor Bevin's belief that he can continue to violate the laws of the Commonwealth and reduce or withhold duly appropriated funds. Governor Bevin was presented with the law cited herein and given seven days to rescind his order. He refused. If this directive were left to stand, Governor Bevin could and would repeat the behavior, decreasing or withholding duly appropriated funds to any state agency at any time. Under his theory, he could sign a budget bill into law on one day, yet decide to withhold funds from any expenditure he disliked the very next day. Vetoes would no longer be necessary, and the General Assembly could not effectively override a veto.

5. The Commonwealth requests an expedited review pursuant to KRS 418.050 and CR 57. Time is of the essence, and this justiciable controversy presents an immediate concern that must be promptly resolved to permit the universities to receive their appropriated funds and continue their planned operations. As outlined below, many universities have already taken action to cut operations due to this illegal act and need this appropriation now so they may re-implement and continue these operations.

THE PARTIES

6. The Plaintiff, Commonwealth of Kentucky *ex rel.* Andy Beshear, is the duly elected Attorney General of the Commonwealth of Kentucky and is a constitutional officer pursuant to Sections 91, 92, and 93 of the Kentucky Constitution. Pursuant to KRS 15.020, General Beshear is the chief law officer of the Commonwealth and all of its departments, commissions, agencies, and political subdivisions. Attorney General Beshear is duly authorized

by the Kentucky Constitution, statutes and the common law, including his *parens patriae* authority, to enforce Kentucky law. As Attorney General, he has the authority to bring actions for injunctive and other relief to enforce the Kentucky Constitution and the Commonwealth's statutes and regulations, including the authority to bring an action against the Governor and other state agencies for injunctive relief. *See* KY. CONST. § 91; KRS 15.020.

7. The Defendant, Governor of Kentucky Matthew Griswold Bevin, is a duly elected constitutional officer of the Commonwealth of Kentucky, vested with – but limited by – such powers as are afforded him by the Kentucky Constitution and related state laws. The Governor is the chief executive officer of the Commonwealth charged by Section 81 of the Constitution with taking care that the laws of the Commonwealth be “faithfully executed.”

8. The Defendant, Secretary of the Finance and Administration Cabinet William M. Landrum, is a duly appointed Secretary of a Program Cabinet of the Executive Branch of state government, vested with such powers as are afforded him by the Kentucky Revised Statutes. The Finance Secretary is the official of the Executive Branch of state government charged by KRS Chapters 41 and 44 with issuing warrants to the Treasurer for the payment of lawful claims upon the State Treasury. The Finance Secretary also has certain statutory requirements in administering the budget and finances of the Commonwealth under KRS Chapter 48.

9. The Defendant, State Budget Director John Chilton, is the duly appointed Director of an agency within the Office of the Secretary to the Governor's Executive Cabinet, a Program Cabinet of the Executive Branch of state government, who serves as staff to the Governor and is vested with such powers as are afforded him by the Kentucky Revised Statutes. The State Budget Director is the official of the Executive Branch of state government charged by KRS 11.040 and KRS 11.068 with functions relative to the preparation,

administration, and evaluation of the executive budget as provided in KRS Chapters 42 and 48 and in other laws.

10. The Defendant, Treasurer Allison Ball, is a duly elected constitutional officer of the Commonwealth of Kentucky, vested with such powers as are afforded her by the Kentucky Constitution and related state laws. The Treasurer is the constitutional officer of the Commonwealth charged by KRS Chapters 41 and 44 with paying all claims upon the State Treasury authorized by law.

JURISDICTION AND VENUE

11. An actual, justiciable controversy exists and this Court has subject matter jurisdiction over this action pursuant to KRS 418.040, KRS 23A.010, and Rules of Civil Procedure 57 and 65.

12. Venue is appropriate in this Court pursuant to KRS 452.405, since the primary offices of the Attorney General, the Governor, the Finance & Administration Cabinet, the State Budget Director, and the State Treasurer are located in Frankfort, Franklin County, Kentucky. Furthermore, this action generally relates to violations of various Kentucky statutes which were either determined or accomplished in Frankfort, Franklin County, Kentucky. Furthermore, this action generally relates to violations of the Kentucky Constitution, which occurred in Frankfort, Franklin County, Kentucky.

13. Pursuant to KRS 418.040, *et seq.*, this Court may properly exercise *in personam* jurisdiction over the Defendants.

FACTUAL BACKGROUND

The 2015-16 Executive Branch Budget Law Mandated Specific Funding To Universities And Provided For The Conditions and Process Of Any Reductions.

14. Section 27 of Kentucky's Constitution provides that the powers of the Commonwealth "shall be divided" into three branches: legislative, executive, and judicial. Section 28 provides none of these branches "shall exercise any power properly belonging to either of the others...."

15. Section 230 of Kentucky's Constitution provides and has been interpreted to mean that only the General Assembly can decide how to appropriate or spend Kentucky tax dollars. The General Assembly has enacted numerous statutes to govern this process as it relates to a biennium budget.

16. Once passed, a biennium budget is a law. As such, the Governor, under Kentucky Constitution Section 81, has a constitutional duty to faithfully execute any budget law.

17. In 2014 the General Assembly exercised its constitutional authority pursuant to KY. CONST. § 230 and enacted House Bill 235 (2014 Ordinary Session), 2014 Ky. Acts, Chapter 117, and to appropriate funds to various entities in the executive branch for the 2015-16 biennium. (hereafter "Executive Branch Budget Law")(Exhibit 1).

18. That bill became law on April 12, 2014. The Executive Branch Budget Law made specific and exact general fund appropriations to the universities for state Fiscal Year 2016 (July 1, 2015 to June 30, 2016)(Exhibit 1, p. 49 to 52)¹:

19. In addition to funds for the universities, the General Assembly through the Executive Branch Budget Law, appropriated funds to numerous other entities. Some examples

¹ The General Assembly also appropriated funds to the universities for FY15. Those funds were provided to the universities as required by law and are not at issue in this litigation.

include: The Support Education Excellence in Kentucky (SEEK) Program, which provides appropriations to local school districts (Exhibit 1, pp. 18-20); the Kentucky State Police (Exhibit 1, p. 41); the Kentucky Executive Branch Ethics Commission (Exhibit 1, p. 7); and the Unified Prosecutorial System, which is governed by the Prosecutor's Advisory Council (Exhibit 1, p. 9);

20. By enacting these appropriations, the General Assembly exercised its constitutional authority to appropriate state funds pursuant to Kentucky Constitution Section 230. The budget bill and each appropriation found therein is law. "Any branch budget bill enacted by the General Assembly shall be enacted so that each section, each subsection, and each appropriation sum by specified fund or funds accounts shall be a separate and specific appropriation and law." KRS 48.311.

21. The Executive Branch Budget Law did not merely mandate specific expenditures; it limited the instances wherein any reduction in its appropriations could be made. Specifically, it stated a reduction may only be made "in the event of an actual or projected revenue shortfall in General Fund revenue receipts...." (Exhibit 1, p. 142).

22. The Executive Branch Budget Law did not stop there, stating that even if there is an actual or projected revenue shortfall, a reduction may only be made pursuant to the "General Fund Budget Reduction Plan," a plan found in Part VI of the law. (Exhibit 1, pp. 142-143).

23. This language was not unique, but is consistent with KRS 48.115, KRS 48.130, and KRS 48.600, which apply to all budgets, and specifically limit the Governor to enact appropriation reductions only in accordance with the General Fund Reduction Plan, and only when there is a projected or actual revenue shortfall. KRS 48.115(3); KRS 48.130(4); KRS 48.600(1).

24. The Executive Branch Budget Law's General Fund Reduction Plan requires reductions be made in a specific order. Four categories of reductions appear before general fund reductions from state agencies, and the General Assembly requires the Governor to "take care" that the educational well-being of our citizens are not affected. In the event of a budget shortfall, the Executive Branch Budget Law mandates reductions be made as follows:

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

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

(2) Transfers of excess unappropriated Restricted Funds, notwithstanding any statutes to the contrary, other than fiduciary funds, to the General Fund shall be applied as determined by the head of each branch for its respective budget units. No transfers to the General Fund shall be made from the following:

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

(b) Unexpended debt service from the Tobacco-Settlement Phase I Funds in either fiscal year;

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

(d) Multi-County Coal Severance Fund;

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

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

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

(8) Excess General Fund appropriations which accrue as a result of personnel vacancies and turnover, and reduced requirements for operating expenses, grants, and capital outlay shall be determined and applied by the heads of the executive, judicial, and legislative departments of state government for their respective branches. The branch heads shall certify the available amounts which shall be applied to budget units within the

respective branches and shall promptly transmit the certification to the Secretary of the Finance and Administration Cabinet and the Legislative Research Commission. The Secretary of the Finance and Administration Cabinet shall execute the certified actions as transmitted by the branch heads.

Branch heads shall take care, by their respective actions, to protect, preserve, and advance the fundamental health, safety, legal and social welfare, and educational well-being of the citizens of the Commonwealth;

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

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

25. As the Kentucky Supreme Court held in *Beshear v. Haydon Bridge Co., Inc.*, “budget reductions ... made by the respective branches of government *consistent with the provisions of the enacted branch budget bills passed by the General Assembly* would be presumably appropriate.” 304 S.W.3d 682 (Ky. 2010). Therefore, budget reductions must be consistent with the Executive Branch Budget Law. Governor Bevin’s appropriation reduction is not consistent with either the Executive Branch Budget Law or the provisions of KRS Chapter 48.

After A Breakdown in Budget Negotiations, Governor Bevin Unilaterally Directed A 4.5 Percent Cut To Current Year University Funding Despite No Shortfall And Without Following The Order Or Direction of the Executive Branch Budget Law

26. Governor Bevin presented his 2017-2018 budget recommendation to the General Assembly on January 26, 2016. In that recommendation, he sought significant and serious cuts to Kentucky’s colleges and universities of 9 percent for each fiscal year. He also sought a current fiscal year reduction of 4.5 percent.

27. In subsequent budget negotiations, the Kentucky House of Representatives refused to cut higher education, claiming it was unnecessary. Budget talks broke down over this issue on March 31, 2016.

28. In response to this breakdown, on the same day, Governor Bevin, by executive fiat, impulsively directed his Finance Secretary and Budget Director to withhold from nine public colleges and universities 4.5 percent of the 2015-16 state general fund appropriation, which was duly appropriated to them by the General Assembly. (*See Letter from Governor Bevin to Secretary Landrum and Budget Director Chilton*, March 31, 2016, Exhibit 2)².

29. The Finance Secretary and Budget Director have complied with this order and withheld that portion of the appropriation from the universities' accounts, which are held by the Treasurer. (*See "Fiscal Year 2016 Allocation Modification", attached to the March 31, 2016 letter from Bevin*, Exhibit 2).

30. The Treasurer has done nothing to rectify this act and has therefore, failed to enforce certain provisions of KRS Chapter 41.

31. There is, however, no actual or projected revenue shortfall. Instead, the fiscal year is projected to end in a budget surplus. The Consensus Forecasting Group, which meets to determine the budget projections, estimated a **general fund revenue surplus of \$222.7** million in FY 2016 on December 16, 2015. (*See Letter from Frank O'Connor, Chairman, Consensus Forecasting Group to John Chilton*, December 17, 2015, Exhibit 3). The Office of the State Budget Director, on March 10, 2016, issued its monthly report acknowledging that "February [2016] marks the eleventh consecutive month and 24th time out of the previous 26 months that

² The March 31, 2016 letter which directs the appropriation reductions does not conform to the requirements of an executive order but has the effect of an executive order. The defendants are treating it as an executive order. Regardless of the form, it is clearly an appropriation reduction.

sales and use tax receipts have increased.” (“General Fund and Road Fund Receipts for February 2016, Exhibit 4).

32. Because there is no actual or projected shortfall, neither budget reduction statutes nor the General Fund Budget Reduction Plan in Part VI of the Executive Branch Budget Law are triggered. There simply is no authority for the Governor or his appointees to reduce appropriations duly enacted by the General Assembly.

33. In fact, the Governor’s unilateral budget reductions are expressly prohibited by three provisions of law. KRS 48.130(6) states “No budget reduction action shall be taken by any branch head in excess of the actual or projected [revenue] deficit.” KRS 48.600(2) states: “No budget revision action shall be taken by any branch head in excess of the actual or projected revenue shortfall.” Part VI of the Executive Branch Budget Law states: “No budget revision action shall be taken by a branch head in excess of the actual or projected revenue shortfall.” (Exhibit 1, p. 142).

34. Moreover, even if a shortfall existed, the Governor’s actions violate the law by failing to follow the applicable statutes and the steps within the Budget Reduction Plan. In other words, even if a shortfall existed, the Governor could not pick and choose what to cut.

35. Given these issues, on April 1, 2016, the day after the Governor’s illegal action, the Attorney General notified Governor Bevin that the Governor’s actions violated the law. The Attorney General gave him seven (7) days to rescind the order and comply with the law. (*See Letter from Attorney General Beshear to Governor Bevin*, April 1, 2016, Exhibit 5).

36. The Governor refused and continues his blatant violation of the Kentucky Constitution and Kentucky law as outlined below. Thus, the Attorney General is forced to initiate this action to uphold Kentucky law.

The Governor's Claim That His Reduction Is a Change In "Allotment" is Not Supported by Kentucky Law

37. To avoid this well settled law, the Governor claims he is not reducing or cutting an appropriation or revising the budget, but "revis[ing]" "allotments schedules" under KRS 48.620(1). But his order does not change the allotment timing of the appropriation; it eliminates 4.5 percent of that appropriation. Under any reading, this action is a cut or budget reduction. The entire statutory scheme of KRS Chapter 48 exists to support the implementation of appropriations enacted by the General Assembly.

38. The Governor's attempt to guise his appropriation cut or budget reduction as an "allotment revision" is disingenuous, absurd, and fails to even comply with the allotment revision statutes it purports to utilize. An "allotment" is nothing more than an accounting term. Allotments are quarterly portions of the total fiscal year appropriations and are merely a timing mechanism indicating when the funds become available for a budget unit to spend. The Budget Director sets the allotment schedule near the beginning of the fiscal year and the "[a]llotments **shall conform with the appropriations** in the enacted branch budget bills or other appropriations." KRS 48.610(2). The universities' original allotment schedules conformed to this law. (See, *e.g.*, FY 2016 Allotment Schedule for Kentucky State University, Northern Kentucky University, and the University of Kentucky, letters from Kathy Marshall, Budget Analyst at the Office of the State Budget Director, May 22, 2015, collectively attached as Exhibit 6).

39. The Governor and other Defendants are certainly aware of these provisions as evidenced by his prior acts. In addition to an Executive Branch Budget Law, the legislature in 2014 passed a separate "Road Fund" which appropriates state funds for the construction and

maintenance of the Commonwealth's highways (2014 Kentucky Acts, Chapter 127). The Road Fund also requires a budget reduction plan. On December 16, 2015, the Consensus Forecasting Group revised its Road Fund revenue estimates and estimated a shortfall in road fund revenues.³ On January 4, 2016, the Secretary of State entered Governor Bevin's Executive Order 16-01 which reduces appropriations made in the Road Fund "pursuant to" the Budget Reduction Plan found in Part IV of the Road Plan. (*See* Road Fund Budget Reduction Order 16-01, January 4, 2016, Exhibit 7). That order is signed by the Governor, the Budget Director, the Governor's General Counsel Steve Pitt, and Gwen R. Pinson, General Counsel of the Finance and Administration Cabinet on behalf of the Finance Secretary. Ms. Pinson also approved the Executive Order "as to form and legality."

40. The March 31, 2016 directive stands in stark contrast to that executive order. Instead of issuing an executive order following the provisions of the Executive Branch Budget Law, Governor Bevin simply decreed, by a letter signed only by him, to decrease the university appropriations. The letter has the effect of an executive order decreasing appropriations. However, the letter was not filed with the Secretary of State, there is no indication that anyone approved the letter as to form and legality, and the authority cited in the letter does not exist. This evidence shows the Governor knew there was no general fund revenue shortfall and knew his act violated the law but issued the directive anyway.

41. The Governor has attempted to justify his illegal act by claiming there is an emergency in the state pension systems. In a press release on April 1, 2016 regarding the cuts, "Our pension system is on the brink of insolvency. We have more than \$35 billion in pension

³ The forecast for Road Fund revenues and for general fund revenues are different forecasts. The revenue stream for the general fund is different from the revenue stream for the road fund. As discussed above, there is a surplus forecasted for general fund revenues.

obligations.” (See *Statement from Governor Bevin Regarding University Budget Reductions*, April 1, 2016, Exhibit 8).

42. Whether or not there is a large deficit in the pension system or any other state agency is immaterial to this action. There is simply no provision in law – and thus no authority – which permits the Governor to withhold duly appropriated funds to one entity because of a deficit in another account. Nor can he unilaterally move duly appropriated funds from one budget unit to another. KRS 48.140(4). The Governor also possesses no emergency powers to appropriate funds or to reduce appropriations. The only manner in which he may reduce appropriations is when there is a revenue shortfall and even then, he must follow the plan outlined by the General Assembly.

**Kentucky’s Public Universities Are Material to the Well-Being of the
Commonwealth and Absent a Revenue Shortfall, Universities Are Entitled to Rely
On Appropriations As a Matter of Law**

43. Kentucky’s public universities are vital to the long term health and welfare of the Commonwealth. Recognizing the importance of our post-secondary institutions, the General Assembly, in 2008, set goals for our public universities to achieve by 2020. The General Assembly’s findings were codified in KRS 164.003:

- (a) The general welfare and material well-being of citizens of the Commonwealth depend in large measure upon the development of a well-educated and highly trained workforce;
- (b) The education and training of the current and future workforce of the Commonwealth can provide its businesses and industries with the competitive edge critical to their success in the global economy and must be improved to provide its citizens the opportunity to achieve a standard of living in excess of the national average; and
- (c) The positive advancement of the welfare of the citizens of the Commonwealth through the transmission of knowledge can only be achieved by the incorporation of ethical standards, the historic

American moral principles promoted by the nation's Founding Fathers, into Kentucky public instruction, state educational training, and personal development of its teachers, students, and people, and affirms President George Washington's statement in his September 19, 1796, farewell address: "Of all the dispositions and habits which lead to political prosperity, Religion and morality are indispensable."

44. The six goals set forth to achieve by 2020 include: An *adequately funded* system of postsecondary education to enhance economic development and quality of life; comprehensive universities to assure access to baccalaureate and master's degrees of a quality at or above the national average; a comprehensive community college and technical system to train and develop our workforce; and a coordinated system to educate adult citizens of the Commonwealth.

45. KRS 164.003(3)-(6) recognized what achieving these goals would mean for the citizens of the Commonwealth:

(3) The achievement of these goals will lead to the development of a society with a standard of living and quality of life that meets or exceeds the national average.

(4) The achievement of these goals will only be accomplished through increased educational attainment at all levels, and contributions to the quality of elementary and secondary education shall be a central responsibility of Kentucky's postsecondary institutions.

(5) The furtherance of these goals is a lawful public purpose that can best be accomplished by a comprehensive system of postsecondary education with single points of accountability that ensure the coordination of programs and efficient use of resources.

(6) The Commonwealth further recognizes that Kentucky's independent institutions offer rich and diverse postsecondary education choices throughout the state. Kentucky's people are best served by a broad array of postsecondary education providers. This vital component of the system will be a full partner in the greater system of postsecondary education.

46. In addition to attempting to attain these goals, our institutions of higher education employ thousands of Kentuckians and provide cutting edge research in science and technology. These institutions are ingrained in our society. As the General Assembly found, they are vital to the moral and economic well-being of the citizens of our Commonwealth.

47. Universities are also structured to operate independently of the Governor and should generally be free from political pressure. In fact, the governance of each of Kentucky's public colleges and universities is invested in its respective board and operate independently of the Governor and his Executive Cabinet. KRS 164.310, KRS 164.350.

48. KRS 164.350 and KRS 164A.560 specifically delegate to the universities control and power over the disbursements of their funds. This includes state appropriations given to them in the "enacted budget" by the General Assembly. This includes planning and implementing a budget for the university, which includes state appropriations. KRS 164.470. Universities rely on the legal appropriation of these funds in order to comply with these requirements.

49. Universities have every right to rely on these appropriations because the Finance Secretary and the Treasurer *are required* to disburse the funds. KRS 164.555 unequivocally directs that the Secretary of the Finance and Administration Cabinet "**shall issue warrants authorizing the Treasurer of the Commonwealth of Kentucky to pay to the treasurer of each institution any amounts due by virtue of the state appropriations for that institution...**" KRS 164.555. This law has clearly been violated.

50. The Governor's letter withholds 4.5 percent of the university appropriations, and thus reduces the appropriation. His illegal directive will collectively deprive these universities of

\$41,168,900.00. The Governor's directive decreases each university's FY16 appropriation as follows⁴:

<u>College or University</u>	<u>Gov. Bevin's Illegal Budget Reduction</u>
Eastern Kentucky University	-\$3,0601,500
Kentucky State University	-\$1,054,300
Morehead State University	-\$1,950,300
Murray State University	-\$2,161,100
Northern Kentucky University	-\$2,184,200
University of Kentucky	-\$12,582,500
University of Louisville	-\$6,258,500
Western Kentucky University	-\$3,359,200
<u>Ky Community and Technical College</u>	<u>-\$8,557,300</u>
<u>Total</u>	<u>-\$41,168,900</u>

51. Governor Bevin's illegal action has had an immediate and significant effect on Kentucky's public colleges and universities that continues today. It will undoubtedly result in increased tuition for current and future students at a time where higher education is already unaffordable.

52. For example, Kentucky State University (hereafter "KSU") president Raymond Burse testified before the House Budget Review Subcommittee on Postsecondary Education regarding the proposed cuts on February 18, 2016. President Burse testified that KSU would be forced to reduce educational services to students and eliminate staff and faculty positions.

53. KSU isn't the only university materially affected by this significant action. Each of these public universities has made program, curriculum, personnel, fiscal plant and other

⁴ The Governor's March 31, 2016 letter, Exhibit 2, includes an attachment called a "Fiscal Year 2016 Allotment Modification," which shows the appropriation decreases.

budgetary decisions and expenditures premised on the expectation that they could rely on and would receive every penny of appropriations enacted on their behalf by the General Assembly. They are now forced to cancel or change those plans with the prospect of losing \$41 million dollars.

54. Additionally, these significant appropriation reductions limit the universities' abilities to achieve the 2020 goals outlined in KRS 164.003. It leaves them scrambling in the fourth quarter of a fiscal year to find the necessary funds to pay financial obligations such as payroll and basic maintenance. They all are immediately and significantly impacted by this illegal action.

The Future Implications of the Governor's Illegal Acts

55. The Governor's directive usurps, invades, and erodes the authority of the legislative branch, a co-equal branch of state government, which has the authority to pass laws and appropriate funds.

56. If left to stand, it would make the Executive Branch Budget Law an advisory plan where the Governor could withhold funds by executive decree. The implications are dangerous. Merely by the directive of Governor Bevin, his appointees could withhold appropriations from local school districts through a decrease in the SEEK appropriation. The defendants could withhold appropriations from the Executive Branch Ethics Commission, who ensures the Governor and his appointees follow the ethics laws. The defendants could withhold appropriations from the Unified Prosecutorial System. The defendants could withhold appropriations to capital projects in legislative districts of legislators who question his actions or who vote in defiance of the Governor. The defendants could withhold appropriations to local county governments which pass ordinances to which the Governor disagrees.

57. If the defendants are permitted to violate and disregard the Executive Branch Budget Law by merely writing a letter, nothing prohibits them from violating other statutes by executive decree.

58. In order to restore these appropriated funds to the universities, to ensure that the Governor and other defendants respect and follow the separation of powers provision in the Kentucky Constitution, and to ensure the Governor and other defendants follow the law, this Court should grant the relief requested herein.

CLAIMS

Count I

Violations of Separation of Powers

KY. CONST. §§ 27, 28, 230

59. Plaintiff incorporates and realleges each of these allegations contained in paragraph 1 to 57 as if fully incorporated and rewritten herein.

60. KY. CONST. § 230 requires that “[n]o money shall be drawn from the State Treasury, except in pursuance of appropriations made by law” The budget, which provides the revenue for the Commonwealth and which determines how that revenue shall be spent, is fundamentally a legislative matter.

61. KY. CONST. § 27 states:

The powers of the government of the Commonwealth of Kentucky shall be divided into three distinct departments, and each of them be confined to a separate body of magistracy, to wit: Those which are legislative, to one; those which are executive, to another; and those which are judicial, to another.

62. KY. CONST. § 28 states:

No person or collection of persons being of one of those departments, shall exercise any power properly belonging to either of the others, except in the instances hereinafter expressly directed or permitted.

63. KY. CONST. § 29 states:

The legislative power shall be vested in a House of Representatives and a Senate, which, together, shall be styled the General Assembly of the Commonwealth of Kentucky.

64. By unilaterally withholding and reducing the appropriations to the universities, the Governor has by executive fiat violated this law. By carrying out this directive the Finance Secretary and Budget Director have violated these constitutional Sections 27, 28, 29, and 230 of the Constitution by invading the province of the General Assembly's authority. By not paying monies due to the universities, the Treasurer has violated these provisions.

Count II

Violations of KY. CONST. § 81

65. Plaintiff incorporates and realleges each of these allegations contained in paragraph 1 to 63 as if fully incorporated and rewritten herein.

66. KY. CONST. § 81 titled "Governor to enforce the laws" states: "He shall take care that the laws be faithfully executed."

67. The Executive Branch Budget Law, like the Constitution and the Kentucky Revised Statutes is law and the Governor is required to faithfully execute these laws. The Governor, by violating the provisions of the Kentucky Constitution, statutes, and the Executive Branch Budget Law discussed herein has violated KY. CONST. § 81. Instead of faithfully executing these laws, he continues to violate them.

Count III

Violations of the 2015-16 Executive Branch Budget Law

68. Plaintiff incorporates and realleges each of these allegations contained in paragraph 1 to 65 as if fully incorporated and rewritten herein.

69. The Executive Branch Budget Law appropriates a fixed amount to the universities and to other state agencies as discussed in paragraph 16 above and in Exhibit 1, p. 49-52. By unilaterally withholding and reducing the appropriations to the universities, the Governor has by executive fiat violated this law. By carrying out this directive the Finance Secretary and Budget Director have violated this law. By not paying monies due to the universities, the Treasurer has violated this law.

70. In addition, the Executive Branch Budget Law states in Part III: **“27. Budget Implementation:** The General Assembly directs that the Executive Branch shall carry out all appropriations and budgetary language provisions as contained in the State/Executive Budget....” (Exhibit 1, p. 27)(emphasis in original). This unambiguous language mandates persons in the Executive Branch, including the Governor, the Finance Secretary, the Budget Director, and the Treasurer to carry out all appropriations. Shall is compulsory. By unilaterally withholding and reducing the appropriations to the universities, the Governor has by executive fiat violated this law. By carrying out this directive the Finance Secretary and Budget Director have violated this law. By not paying monies due to the universities, the Treasurer has violated this law.

71. Part IV of the “General Fund Budget Reduction Plan” only permits the Governor to decrease appropriations when there is a projected or actual budget shortfall. It unequivocally states, “No budget revision action shall be taken by a branch head in excess of the actual or projected revenue shortfall.” (Exhibit 1, p. 142). It further outlines the steps required to be made if there is a revenue shortfall. By unilaterally withholding and reducing the appropriations to the universities when there is no revenue shortfall, the Governor has by executive fiat violated this

law. By carrying out this directive the Finance Secretary and Budget Director have violated this law. By not paying monies due to the universities, the Treasurer has violated this law.

Count IV
Violations of KRS Chapter 48

72. Plaintiff incorporates and realleges each of these allegations contained in paragraph 1 to 71 as if fully incorporated and rewritten herein.

73. KRS 48.130(6) states, “No budget reduction action shall be taken by any branch head in excess of the actual or projected [revenue] deficit.” By unilaterally withholding and reducing the appropriations to the universities, the Governor has by executive fiat violated this law. By carrying out this directive the Finance Secretary and Budget Director have violated this law. By not paying monies due to the universities, the Treasurer has violated this law.

74. KRS 48.600(2) states, “No budget revision action shall be taken by any branch head in excess of the actual or projected revenue shortfall.” By unilaterally withholding and reducing the appropriations to the universities, the Governor has by executive fiat violated this law. By carrying out this directive the Finance Secretary and Budget Director have violated this law. By not paying monies due to the universities, the Treasurer has violated this law.

75. KRS 48.610 states in part, “Allotments shall conform with the appropriations in the enacted branch budget bills or other appropriations.” By unilaterally amending the allotment schedule which withholds and reduces the appropriations to the universities, the Governor has by executive fiat violated this law. By carrying out this directive the Finance Secretary and Budget Director have violated this law. By not paying monies due to the universities, the Treasurer has violated this law.

Count V
Violations of KRS Chapters 164 and 164A

76. Plaintiff incorporates and realleges each of these allegations contained in paragraph 1 to 75 as if fully incorporated and rewritten herein.

77. KRS Chapter 164A prescribes the manner in which universities manage their finances, including funds appropriated from the General Assembly.

78. KRS 164A.555 unequivocally directs that the Secretary of the Finance and Administration Cabinet “shall issue warrants authorizing the Treasurer of the Commonwealth of Kentucky to pay to the treasurer of each institution any amounts due by virtue of the state appropriations for that institution...” By unilaterally withholding and reducing the appropriations to the universities when there is no revenue shortfall, the Governor has by executive fiat violated this law. By carrying out this directive the Finance Secretary and Budget Director have violated this law. By not paying monies due to the universities, the Treasurer has violated this law.

79. KRS 164.350 and KRS 164A.560 specifically delegate to the universities control and power over the disbursement of their funds. This includes the state appropriations given to them in the “enacted budget” by the General Assembly. The Governor, Finance Secretary, and Budget Director are usurping and abrogating this statutory power by withholding the appropriation. They are causing the Treasurer to do the same by withholding the funds.

80. Under KRS 164.470 “all appropriations, grants, gifts, bequests and donations to a university or college for a specified use shall be applied to such use and no other.” The universities have set out budgets which include specifications for the funds appropriated to them. The Defendants have deprived the universities of their ability to comply with KRS 164.470 and the appropriations as a matter of law are not being used for the purposes specified. By

unilaterally withholding and reducing the appropriations to the universities when there is no revenue shortfall, the Governor has by executive fiat violated this law. By carrying out this directive the Finance Secretary and Budget Director have violated this law. By not paying monies due to the universities, the Treasurer has violated this law.

Count VI
Injunctive Relief

81. Plaintiff incorporates and realleges each of these allegations contained in paragraph 1 to 80 as if fully incorporated and rewritten herein.

82. CR 65.01 authorizes an injunction to “restrict or mandatorily direct the doing of an act.” The Attorney General asks this court to permanently enjoin all the defendants from withholding appropriated funds from the universities or any other state agency consistent with its prayer for relief below.

83. CR 65.04 provides:

A temporary injunction may be granted during the pendency of an action on motion if it is clearly shown by verified complaint, affidavit, or other evidence that the movant's rights are being or will be violated by an adverse party and the movant will suffer immediate and irreparable injury, loss, or damage pending a final judgment in the action, or the acts of the adverse party will tend to render such final judgment ineffectual.

84. As set forth above, this Verified Complaint for Declaration of Rights and a Permanent Injunction clearly show that, through the unilateral and illegal actions of the Governor and the other Defendants, the budgets of Kentucky’s nine public colleges and university systems have been slashed by 4.5 percent by executive fiat. The funds at issue were duly appropriated by the General Assembly as part of the 2015-2016 biennial budget. The Defendants’ actions clearly

violate numerous provisions of the Kentucky Constitution, the Kentucky Revised Statutes, and the Acts of the Kentucky General Assembly.

85. The Commonwealth's rights are clearly being violated. Moreover, the Attorney General is the chief law officer of the Commonwealth. The Attorney General warned the Governor that his actions were illegal and, unless he rescinded his illegal order by Monday, April 11, 2016, this lawsuit would be filed. The Governor's failed to heed the Attorney General's warning, thereby establishing that the Commonwealth's rights will continue to be violated by the Defendants unless permanently enjoined by the Court.

86. The Commonwealth and the nine Kentucky public colleges and university systems affected by the Defendants' illegal actions have suffered and will continue to suffer immediate and irreparable injury, loss, or damage pending a final judgment in this action. Each of these public university have made program, financial, curriculum, personnel, construction, maintenance and other budgetary decisions and expenditure premised on the expectation that they could rely on and would receive every penny of appropriations enacted on their behalf by the General Assembly in the 2015-2016 biennial budget. Now, in the last quarter of that budget, they have been forced to implement emergency measures to insure that they don't run out of money before July 1, 2016, when the next biennial budget – assuming that the General Assembly enacts one – takes effect. Unless the Court issues an injunction, the continuing illegal acts of the Defendants will render any final judgment in this action ineffectual. Therefore, the Commonwealth has no adequate remedy at law other than the issuance of this injunction.

87. The Defendants' violations of numerous provisions of the Kentucky Constitution, the Kentucky Revised Statutes, and the Acts of the Kentucky General Assembly so blatant that

there is a high likelihood that the Commonwealth will prevail in full trial on the merits of this action.

88. Finally, no Circuit Judge has refused the requested relief and no injunction bond is required by the Commonwealth pursuant to CR 81A.

* * * * *

PRAYER FOR RELIEF

WHEREFORE, the Plaintiff, Commonwealth of Kentucky, through its Attorney General, demands as follows:

1. For an expedited review of this action pursuant to KRS 418.050 and CR 57;
2. For a judgment declaring the Governor's directive to withhold appropriated funds to the universities in his letter of March 31, 2016 a violation of Kentucky law, including all, one, or a combination of the following constitutional and statutory provisions:
 - a. Kentucky Constitution §§ 27, 28, 29, 81, 230;
 - b. The Executive Branch Budget Law, 2014 Ky. Acts, Chapter 117, Part I, Section K(3) to K(11) (fixed appropriations to the universities), Part III, Section 27 (General Provisions, Budget Implementation), and Part VI (General Fund Budget Reduction Plan);
 - c. KRS 48.130; KRS 48.600; KRS 48.610; KRS 164A.555; KRS 164A.350, KRS 164.560, and KRS 164.470.
3. For a judgment declaring the withholding by the Governor, the Finance Secretary, the Budget Director, and the Treasurer of the appropriated funds from the

universities a violation of the aforementioned constitutional and statutory provisions;

4. For a permanent injunction compelling the Governor, the Finance Secretary, the Budget Director, and the Treasurer to release the withheld appropriations to each university;
5. For a permanent injunction prohibiting the Governor, the Finance Secretary, the Budget Director, and the Treasurer from withholding any and all appropriations, through the allotment process or otherwise, to the universities or to any other state agency;
6. For reasonable costs and attorney's fees;
7. For any and all further relief to which Plaintiff may appear to be entitled.

Respectfully submitted,

ANDY BESHEAR
ATTORNEY GENERAL

/s/ Mitchel T. Denham

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CHAPTER 117**(HB 235)**

AN ACT relating to appropriations providing financing and conditions for the operations, maintenance, support, and functioning of the government of the Commonwealth of Kentucky and its various officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and other state-supported activities.

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

➔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, 2013, and ending June 30, 2014, for the fiscal year beginning July 1, 2014, and ending June 30, 2015, and for the fiscal year beginning July 1, 2015, and ending June 30, 2016, the following discrete sums, or so much thereof as may be necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each appropriation is made by source of respective fund or funds accounts. Appropriations for the following officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and budget units of the state government, and any and all other activities of the government of the Commonwealth, are subject to the provisions of Chapters 12, 42, 45, and 48 of the Kentucky Revised Statutes and compliance with the conditions and procedures set forth in this Act.

(2) **Tobacco Settlement Funds:** Appropriations identified as General Fund (Tobacco) in Part I, Operating Budget, of this Act are representative of the amounts provided in Part X, Phase I Tobacco Settlement, of this Act and are not to be appropriated in duplication.

A. GENERAL GOVERNMENT**Budget Units****1. OFFICE OF THE GOVERNOR**

	2013-14	2014-15	2015-16
General Fund (Tobacco)	-0-	1,912,500	1,912,500
General Fund	-0-	5,527,600	5,629,800
Restricted Funds	-0-	111,100	111,100
Federal Funds	150,000	1,350,800	1,350,800
TOTAL	150,000	8,902,000	9,004,200

(1) **Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is \$1,912,500 in each fiscal year for the Early Childhood Advisory Council.

2. OFFICE OF STATE BUDGET DIRECTOR

	2014-15	2015-16
General Fund	3,133,400	3,195,400
Restricted Funds	139,600	242,300
TOTAL	3,273,000	3,437,700

3. STATE PLANNING FUND

	2014-15	2015-16
General Fund	150,800	150,800

4. HOMELAND SECURITY

	2014-15	2015-16
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General Fund	233,000	236,600
Restricted Funds	2,040,700	2,408,400
Federal Funds	4,857,600	4,857,600
Road Fund	260,100	262,500
TOTAL	7,391,400	7,765,100

(1) **Enhanced 911 Emergency Services:** Included in the above Restricted Funds appropriation is \$600,000 in fiscal year 2014-2015 and \$1,000,000 in fiscal year 2015-2016 for enhanced 911 emergency services.

5. DEPARTMENT OF VETERANS' AFFAIRS

	2014-15	2015-16
General Fund	17,798,500	17,984,100
Restricted Funds	40,914,000	50,544,900
TOTAL	58,712,500	68,529,000

(1) **Weekend and Holiday Premium Pay Incentive:** The Kentucky Veterans' Centers are authorized to continue the weekend and holiday premium pay incentive for the 2014-2016 fiscal biennium.

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

(3) **Debt Service:** Included in the above General Fund appropriation is \$84,500 in fiscal year 2014-2015 and \$169,000 in fiscal year 2015-2016 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(4) **Brain Injury Alliance of Kentucky and the Epilepsy Foundation of Kentuckiana Funding:** Included in the above General Fund appropriation is \$100,000 in each fiscal year for grants to the Brain Injury Alliance of Kentucky and \$100,000 in each fiscal year for grants to the Epilepsy Foundation of Kentuckiana to be used solely for the purpose of working with veterans who have experienced brain trauma and their families.

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

6. GOVERNOR'S OFFICE OF AGRICULTURAL POLICY

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

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

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

(3) **Agricultural Development Appropriations:** Notwithstanding KRS 248.703(1), included in the above General Fund (Tobacco) appropriation is \$19,350,000 in fiscal year 2014-2015 and \$9,850,000 in fiscal year 2015-2016 for the counties account as specified in KRS 248.703(1)(a).

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

7. KENTUCKY INFRASTRUCTURE AUTHORITY

	2014-15	2015-16
General Fund	1,337,300	1,563,800
Restricted Funds	37,381,000	42,405,500
Federal Funds	29,369,000	29,381,900
TOTAL	68,087,300	73,351,200

(1) **Debt Service:** Included in the above General Fund appropriation is \$226,500 in fiscal year 2015-2016 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(2) **Local Government Economic Development Funds:** Included in the above General Fund appropriation is \$370,000 in each fiscal year of the biennium from the Local Government Economic Development Fund to support services provided to coal-producing counties.

8. MILITARY AFFAIRS

	2014-15	2015-16
General Fund	9,347,000	9,330,700
Restricted Funds	44,743,800	45,234,900
Federal Funds	43,154,800	43,232,200
TOTAL	97,245,600	97,797,800

(1) **Kentucky National Guard:** There is appropriated from the General Fund the necessary funds to be expended, subject to the conditions and procedures provided in this Act, which are required as a result of the Governor's declaration of emergency pursuant to KRS Chapter 39A, and the Governor's call of the Kentucky National Guard to active duty when an emergency or exigent situation has been declared to exist by the Governor. These necessary funds shall be made available from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

(2) **Disaster or Emergency Aid Funds:** There is appropriated from the General Fund the necessary funds, subject to the conditions and procedures in this Act, which are required to match federal aid for which the state would be eligible in the event of a presidentially declared disaster or emergency. These necessary funds shall be made available from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

(3) **Debt Service:** Included in the above General Fund appropriation is \$43,500 in fiscal year 2014-2015 and \$130,500 in fiscal year 2015-2016 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

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

(5) **National Guard Memorial:** Included in the above General Fund appropriation is \$300,000 in fiscal year 2014-2015 for a grant to the National Guard Foundation of Kentucky to support the National Guard Memorial.

9. COMMISSION ON HUMAN RIGHTS

	2013-14	2014-15	2015-16
General Fund	-0-	1,703,200	1,738,800
Federal Funds	83,400	245,000	245,000
TOTAL	83,400	1,948,200	1,983,800

10. COMMISSION ON WOMEN

	2014-15	2015-16
General Fund	226,400	232,000

11. DEPARTMENT FOR LOCAL GOVERNMENT

	2014-15	2015-16
General Fund	8,467,800	8,487,600
Restricted Funds	1,299,900	1,299,900
Federal Funds	41,131,100	41,051,600
TOTAL	50,898,800	50,839,100

(1) **Support of the 12 Multi-County Regional Industrial Park Authorities:** Included in the above Restricted Funds appropriation is \$200,000 in each fiscal year in support of the 12 multi-county regional industrial park authorities. Funds shall be distributed equally to the 12 multi-county regional industrial park authorities for marketing and maintenance of the industrial parks and the procurement of property and casualty insurance on the parks.

(2) **Area Development District Funding:** Included in the above General Fund appropriation is \$2,325,600 in each fiscal year for the Joint Funding Administration Program in support of the Area Development Districts.

(3) **Mary Kendall Homes and Gateway Juvenile Diversion:** Included in the above General Fund appropriation is \$275,000 in each fiscal year for the support of the Mary Kendall Homes and \$275,000 in each fiscal year for the support of Gateway Juvenile Diversion.

(4) **Food Pantry:** Included in the above General Fund appropriation is \$50,000 in fiscal year 2014-2015 for a grant to the Woodford County Fiscal Court to support a food pantry.

12. LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	2014-15	2015-16
General Fund	50,207,700	48,690,000

13. LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND

	2014-15	2015-16
General Fund	28,945,400	28,426,200

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

(2) **Osteopathic Medicine Scholarship Program:** The transfer of moneys from the General Fund to the Local Government Economic Development Fund shall be made after the transfer to the Osteopathic Medicine Scholarship Program has been made pursuant to KRS 164.7891(11) and (12) in the amount of \$872,500 in each fiscal year within the Kentucky Higher Education Assistance Authority.

(3) **Pharmacy Scholarships:** The transfer of moneys from the General Fund to the Local Government Economic Development Fund shall be made after the transfer to the Coal County Pharmacy Scholarship Program has been made pursuant to KRS 164.7890(11) in the amount of \$800,000 in each fiscal year within the Kentucky Higher Education Assistance Authority.

(4) **Trover Clinic Grant:** Notwithstanding KRS 42.4582 and 42.4585, the quarterly calculation and transfer of the funds shall be made only after each quarterly installment of the annual appropriation of \$1,000,000 in each fiscal year has been credited to the Trover Clinic Grant within the Department for Local Government.

(5) **School Facilities Construction Commission - 2002-2004:** Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$4,617,900 in each fiscal year is appropriated as General Fund moneys to the School Facilities Construction Commission budget unit to provide debt service to support previously authorized bonds authorized in 2003 Ky. Acts ch. 156.

(6) **Water and Sewer Resources Development Fund for Coal-Producing Counties - 2002-2004:** Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$4,091,400 in each fiscal year is appropriated as General Fund moneys to the Finance and

Administration Cabinet, Debt Service budget unit, to provide debt service to support previously authorized bonds for the Water and Sewer Resources Development Fund for Coal-Producing Counties authorized in 2003 Ky. Acts ch. 156.

(7) KIA Infrastructure for Economic Development Fund for Coal-Producing Counties - 2004-2006:

Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$6,472,700 in each fiscal year is appropriated as General Fund moneys to the Finance and Administration Cabinet, Debt Service budget unit, to provide debt service to support a portion of the previously authorized bonds for the KIA Infrastructure for Economic Development Fund for Coal-Producing Counties authorized in 2005 Ky. Acts ch. 173.

(8) Infrastructure for Economic Development Fund for Coal-Producing Counties - 2006-2008:

Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$8,562,300 in each fiscal year is appropriated as General Fund moneys to the Finance and Administration Cabinet, Debt Service budget unit, to provide debt service to support previously authorized bonds for the Infrastructure for Economic Development Fund for Coal-Producing Counties authorized in 2006 Ky. Acts ch. 252.

(9) Infrastructure for Economic Development Fund for Coal-Producing Counties - 2008-2010:

Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$7,538,000 in each fiscal year is appropriated as General Fund moneys to the Finance and Administration Cabinet, Debt Service budget unit, to provide debt service to support previously authorized bonds for the Infrastructure for Economic Development Fund for Coal-Producing Counties authorized in 2008 Ky. Acts ch. 127.

(10) Read to Achieve: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$2,100,000 in each fiscal year is appropriated as General Fund moneys to the Learning and Results Services budget unit for the Read to Achieve Program within the Department of Education.

(11) Robinson Scholars Program: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,000,000 in each fiscal year is appropriated as General Fund moneys to the University of Kentucky budget unit for the Robinson Scholars Program.

(12) Kentucky Infrastructure Authority: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$370,000 in each fiscal year is appropriated as General Fund moneys to the Kentucky Infrastructure Authority budget unit.

(13) Department for Local Government: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$669,700 in each fiscal year is appropriated as General Fund moneys to the Department for Local Government budget unit.

(14) Mining Engineering Scholarship Program: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$300,000 in each fiscal year is appropriated as General Fund moneys to the University of Kentucky budget unit for the Mining Engineering Scholarship Program.

(15) School Technology in Coal Counties: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$1,750,000 in each fiscal year is appropriated as General Fund moneys to the Operations and Support Services budget unit within the Department of Education for the purpose of enhancing education technology in local school districts within coal-producing counties.

(16) Mine Safety: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each

quarterly installment of the annual appropriation of \$3,219,800 in each fiscal year is appropriated as General Fund moneys to the Office of Mine Safety and Licensing, Natural Resources budget unit. Notwithstanding KRS 351.140, the number of mandatory mine safety inspections to be carried out by the Office of Mine Safety and Licensing shall be equal to the number of mine safety inspections required annually by the Mine Safety and Health Administration.

(17) Save the Children: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$500,000 in each fiscal year is appropriated as General Fund moneys to the Department of Education budget unit for the Save the Children Program.

(18) Regional Strategic Development Fund: Notwithstanding KRS 42.4592, funds totaling \$2,000,000 in each fiscal year shall be provided for the Regional Strategic Development Fund from the portion of the Single County Fund allocated to counties in Eastern Kentucky.

(19) Operation Unite: Notwithstanding KRS 42.4588, funds totaling \$2,000,000 in each fiscal year shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Office of Drug Control Policy, Justice Administration budget unit, for Operation Unite in relation to the Federal Task Force on Drug Abuse.

(20) Energy Research and Development Fund: (a) Notwithstanding KRS 42.4588, \$1,584,500 in fiscal year 2014-2015 and \$1,423,800 in fiscal year 2015-2016 year shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Energy Development and Independence budget unit. These funds shall be used, except as specified in paragraph (b) of this subsection, for research and commercialization projects, including clean coal, new combustion technology, thin-seam coal extraction safety, tracking and communication devices, coal slurry disposal, synthetic natural gas produced from coal through gasification processes, and the development of alternative transportation fuels produced by processes that convert coal or biomass resources or extract oil from oil shale, and other coal research and shall be targeted solely to Kentucky's Local Government Economic Development Fund-eligible counties. The Department for Energy Development and Independence shall coordinate its efforts with those of Kentucky's universities and related Kentucky Community and Technical College System programs in order to maximize Kentucky's opportunities for federal funding and receive research grants and awards from federal and other sources of funding for the development of clean coal technology, coal-to-liquid-fuel conversion, alternate transportation fuels, and biomass energy resources.

(b) Included in the Restricted Funds appropriation in paragraph (a) of this subsection is \$1,000,000 in each fiscal year which shall not be expended unless matched with federal or private funds for the purpose of supporting research and development activities at the University of Kentucky Center for Applied Energy Research.

(21) Support of the 12 Multi-County Regional Industrial Park Authorities: Notwithstanding KRS 42.4588, funds totaling \$200,000 in each fiscal year shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Department for Local Government budget unit to be distributed equally to the 12 multi-county regional industrial park authorities located in coal counties to be used for marketing and maintenance of the industrial parks and for procurement of property and casualty insurance on the parks.

(22) Shaping Our Appalachian Region (SOAR) Administrative Costs: Notwithstanding KRS 42.4588, funds totaling \$200,000 in each fiscal year shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Department for Local Government budget unit for administrative expenses relating to the Shaping Our Appalachian Region initiative.

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

(24) Coal County College Completion Scholarship Program: Notwithstanding KRS 42.4588, \$2,000,000 in each fiscal year shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Coal County College Completion Scholarship Program within the Kentucky Higher Education Assistance Authority.

(25) Parameters for County Flexibility: (a) Notwithstanding KRS 42.4588(2), Local Government Economic Development Fund allocations, except as provided in paragraph (b) of this subsection, may be used to support nonrecurring investments in public health and safety, economic development, public infrastructure, information technology development and access, public water and wastewater development, and insurance with the concurrence of both the respective fiscal court and the Department for Local Government or the Kentucky Infrastructure Authority, as appropriate.

(b) Grants from funds provided for in KRS 42.4592(1)(c) shall be used only for the purposes provided for in KRS 42.4588(2).

(26) Distribution of Funds: Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to the Local Government Economic Development Fund, Multi-County Fund, shall be made only after each quarterly installment of an additional \$3,856,200 in fiscal year 2014-2015 and \$3,077,200 in fiscal year 2015-2016 is distributed pursuant to KRS 42.4592(a) and (b).

(27) Division of Oil and Gas: Notwithstanding KRS 42.4588, funds totaling \$25,000 in each fiscal year shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Division of Oil and Gas within the Department for Natural Resources for an update of the Best Practices Manual.

14. AREA DEVELOPMENT FUND

	2014-15	2015-16
General Fund	473,600	473,600

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

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

15. EXECUTIVE BRANCH ETHICS COMMISSION

	2014-15	2015-16
General Fund	455,000	463,200
Restricted Funds	76,300	77,000
TOTAL	531,300	540,200

16. SECRETARY OF STATE

	2014-15	2015-16
General Fund	1,634,500	1,662,800
Restricted Funds	1,717,100	1,750,100
Federal Funds	80,400	277,000
TOTAL	3,432,000	3,689,900

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

17. BOARD OF ELECTIONS

	2014-15	2015-16
General Fund	4,027,100	4,047,200
Restricted Funds	246,000	246,000
Federal Funds	5,211,300	5,211,200
TOTAL	9,484,400	9,504,400

(1) **Help America Vote Act of 2002:** Amounts above those appropriated that are necessary to match Federal Funds from the Help America Vote Act shall be deemed a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

(2) **Cost of Elections:** Notwithstanding KRS 116.145, the State Board of Elections shall set a rate for the fee for new voter registration paid to the county clerks within the available appropriated resources. The State Board of Elections shall also set a fixed rate for the expenses outlined in KRS 117.343 within the available appropriated resources. Notwithstanding KRS 117.345(2), the State Board of Elections shall set a rate for the expenses outlined in KRS 117.345(2) for precincts with a voting machine within the available appropriated resources, not to exceed \$300 per precinct per election. These rates and all assumptions as to the number of precincts, registered voters, and new voter registrations shall be communicated to the Secretary of the Finance and Administration Cabinet and the State Budget Director by November 1, 2014, for fiscal year 2014-2015 and by November 1, 2015, for fiscal year 2015-2016.

Costs associated with special elections, KRS 117.345(2) costs associated with additional precincts with a voting machine, KRS 117.343 costs for additional registered voters, and KRS 116.145 costs for additional new registered voters shall be deemed a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705). Any reimbursements authorized as a necessary government expense according to the above provisions shall be at the same rates as those established by the State Board of Elections as provided in the preceding paragraph.

18. REGISTRY OF ELECTION FINANCE

	2014-15	2015-16
General Fund	1,200,900	1,220,800

19. ATTORNEY GENERAL

	2014-15	2015-16
General Fund	10,438,600	10,622,700
Restricted Funds	16,929,200	16,945,300
Federal Funds	3,725,500	3,870,300
TOTAL	31,093,300	31,438,300

(1) **Expert Witnesses:** In addition to such funds as may be appropriated, the Office of the Attorney General may request from the Finance and Administration Cabinet, as a necessary government expense, such funds as may be necessary for expert witnesses. Upon justification of the request, the Finance and Administration Cabinet shall provide up to \$275,000 for the 2014-2016 fiscal biennium for this purpose to the Office of the Attorney General from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705). The Department of Insurance shall provide the Office of the Attorney General any available information to assist in the preparation of a rate hearing pursuant to KRS 304.17A-095. Expenditures under this subsection shall be reported to the Interim Joint Committee on Appropriations and Revenue by August 1 of each year.

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

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

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

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

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

(7) **Child Sexual Abuse License Plate Revenue:** Notwithstanding KRS 186.162, the Transportation Cabinet shall review the costs related to the distribution of child victims' license plates. Any revenue received from the sale or renewal of those plates in excess of actual costs shall be transferred to the Child Victims' Trust Fund on an annual basis.

(8) **Settlement Funds:** In each fiscal year, the Attorney General shall transfer \$1,000,000 of the settlement funds resulting from the suit against Merck Sharp & Dohme Corporation and the suit against GlaxoSmithKline to the Kentucky Agency for Substance Abuse Policy.

20. UNIFIED PROSECUTORIAL SYSTEM

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

a. Commonwealth's Attorneys

	2014-15	2015-16
General Fund	44,536,800	45,444,800
Restricted Funds	1,657,900	1,714,300
Federal Funds	46,000	48,800
TOTAL	46,240,700	47,207,900

b. County Attorneys

	2014-15	2015-16
General Fund	38,653,400	39,640,500
Restricted Funds	379,000	437,200
Federal Funds	566,900	566,900
TOTAL	39,599,300	40,644,600

TOTAL - UNIFIED PROSECUTORIAL SYSTEM

	2014-15	2015-16
General Fund	83,190,200	85,085,300
Restricted Funds	2,036,900	2,151,500
Federal Funds	612,900	615,700
TOTAL	85,840,000	87,852,500

21. TREASURY

	2014-15	2015-16
General Fund	1,778,300	1,818,600
Restricted Funds	1,238,400	1,275,900
Road Fund	250,000	250,000
TOTAL	3,266,700	3,344,500

(1) **Unclaimed Property Fund:** Included in the above Restricted Funds appropriation is \$1,238,400 in fiscal year 2014-2015 and \$1,275,900 in fiscal year 2015-2016 from the Unclaimed Property Fund to provide funding for services performed by the Unclaimed Property Division of the Department of the Treasury.

22. AGRICULTURE

	2014-15	2015-16
General Fund (Tobacco)	600,000	600,000
General Fund	16,382,600	16,690,900
Restricted Funds	10,024,700	10,104,700
Federal Funds	5,495,900	5,495,700
TOTAL	32,503,200	32,891,300

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

(2) **Purchase of Agricultural Conservation Easement (PACE) Program:** The Purchase of Agricultural Conservation Easement (PACE) board may contract directly with land surveyors, real estate appraisers, and other licensed professionals as necessary. The Department of Agriculture may receive funds from local and private sources to match Federal Funds for the PACE program.

(3) **County Fair Grants:** Included in the above General Fund appropriation is \$500,000 in each fiscal year to support capital improvement grants to the Local Agricultural Fair Aid Program.

(4) **Farms to Food Banks:** Included in the above General Fund (Tobacco) appropriation is \$600,000 in each fiscal year to support the Farms to Food Banks program to benefit both Kentucky farmers and the needy by providing fresh, locally grown produce to food pantries.

23. AUDITOR OF PUBLIC ACCOUNTS

	2014-15	2015-16
General Fund	4,681,800	4,775,300
Restricted Funds	8,082,100	8,221,400
TOTAL	12,763,900	12,996,700

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

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

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

24. PERSONNEL BOARD

	2014-15	2015-16
Restricted Funds	845,900	856,000

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

25. KENTUCKY RETIREMENT SYSTEMS

2014-15	2015-16
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Restricted Funds	40,930,800	41,306,800
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(1) Dependent Subsidy for Retirees - Kentucky Employee Retirement System: From July 1, 2014, through June 30, 2016, in addition to the benefits conferred under KRS 61.702, the Kentucky Retirement Systems Board of Trustees shall have the authority to make the recipients of a nonhazardous monthly retirement allowance eligible for the dependent subsidy as provided under the terms established by the State Group Health Insurance Program. The dependent subsidy conferred to recipients of a nonhazardous monthly retirement allowance shall not be considered as a benefit protected by the inviolable contract provisions of KRS 16.652, 61.692, and 78.852. If the Board of Trustees makes the recipients of a nonhazardous monthly retirement allowance eligible for the dependent subsidy, the Board shall submit a report to the Interim Joint Committee on Appropriations and Revenue stating the cost of such action and providing the effect on the actuarial unfunded liability of the health trust.

(2) Dependent Subsidy for Retirees - County Employees Retirement System: From July 1, 2014, through June 30, 2016, in addition to the benefits conferred under KRS 61.702, the Kentucky Retirement Systems Board of Trustees shall have the authority to make the recipients of a nonhazardous monthly retirement allowance eligible for the dependent subsidy as provided under the terms established by the State Group Health Insurance Program. The dependent subsidy conferred to recipients of a nonhazardous monthly retirement allowance shall not be considered as a benefit protected by the inviolable contract provisions of KRS 16.652, 61.692, and 78.852. If the Board of Trustees makes the recipients of a nonhazardous monthly retirement allowance eligible for the dependent subsidy, the Board shall submit a report to the Interim Joint Committee on Appropriations and Revenue stating the cost of such action and providing the effect on the actuarial unfunded liability of the health trust.

26. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

a. Accountancy

	2014-15	2015-16
Restricted Funds	552,100	558,500

b. Certification of Alcohol and Drug Counselors

	2014-15	2015-16
Restricted Funds	82,200	82,200

c. Applied Behavior Analysis Licensing

	2014-15	2015-16
Restricted Funds	16,000	16,000

d. Architects

	2014-15	2015-16
Restricted Funds	435,900	442,700

e. Certification for Professional Art Therapists

	2014-15	2015-16
Restricted Funds	11,200	11,200

f. Auctioneers

	2014-15	2015-16
Restricted Funds	389,000	393,400

g. Barbering

	2014-15	2015-16
Restricted Funds	322,000	327,100

h. Chiropractic Examiners

	2014-15	2015-16
Restricted Funds	317,800	323,300

i. Dentistry

	2014-15	2015-16
Restricted Funds	894,300	903,000

j. Licensed Diabetes Educators

	2014-15	2015-16
Restricted Funds	1,000	1,000

k. Licensure and Certification for Dietitians and Nutritionists

	2014-15	2015-16
Restricted Funds	73,900	73,900

l. Embalmers and Funeral Directors

	2014-15	2015-16
Restricted Funds	402,900	409,200

m. Licensure for Professional Engineers and Land Surveyors

	2014-15	2015-16
Restricted Funds	1,311,800	1,328,600

n. Certification of Fee-Based Pastoral Counselors

	2014-15	2015-16
Restricted Funds	3,600	3,600

o. Registration for Professional Geologists

	2014-15	2015-16
Restricted Funds	106,900	106,900

p. Hairdressers and Cosmetologists

	2014-15	2015-16
Restricted Funds	1,374,700	1,397,400

q. Specialists in Hearing Instruments

	2014-15	2015-16
Restricted Funds	81,100	81,100

r. Interpreters for the Deaf and Hard of Hearing

	2014-15	2015-16
Restricted Funds	38,200	38,200

s. Home Inspectors

	2014-15	2015-16
Restricted Funds	83,800	83,800

t. Examiners and Registration of Landscape Architects

	2014-15	2015-16
Restricted Funds	65,100	66,600

u. Licensure of Marriage and Family Therapists

	2014-15	2015-16
Restricted Funds	116,400	116,400

v. Licensure for Massage Therapy		
	2014-15	2015-16
Restricted Funds	168,600	168,600
w. Medical Imaging and Radiation Therapy		
	2014-15	2015-16
Restricted Funds	393,100	393,600
x. Medical Licensure		
	2014-15	2015-16
Restricted Funds	2,940,400	2,972,500
y. Nursing		
	2014-15	2015-16
Restricted Funds	6,201,300	6,270,400
z. Licensure for Nursing Home Administrators		
	2014-15	2015-16
Restricted Funds	61,100	61,100
aa. Licensure for Occupational Therapy		
	2014-15	2015-16
Restricted Funds	146,600	146,600
ab. Ophthalmic Dispensers		
	2014-15	2015-16
Restricted Funds	55,200	55,200
ac. Optometric Examiners		
	2014-15	2015-16
Restricted Funds	207,000	209,400
ad. Pharmacy		
	2014-15	2015-16
Restricted Funds	1,638,800	1,661,400
ae. Physical Therapy		
	2014-15	2015-16
Restricted Funds	469,000	499,400
af. Podiatry		
	2014-15	2015-16
Restricted Funds	38,900	38,200
ag. Private Investigators		
	2014-15	2015-16
Restricted Funds	101,500	101,500
ah. Licensed Professional Counselors		
	2014-15	2015-16

Restricted Funds	184,900	184,900
ai. Prosthetics, Orthotics, and Pedorthics		
	2014-15	2015-16
Restricted Funds	46,200	46,200
aj. Examiners of Psychology		
	2014-15	2015-16
Restricted Funds	236,400	236,400
ak. Real Estate Appraisers		
	2014-15	2015-16
Restricted Funds	757,000	766,300
al. Real Estate Commission		
	2014-15	2015-16
Restricted Funds	2,105,800	2,200,900
am. Respiratory Care		
	2014-15	2015-16
Restricted Funds	206,700	210,000
an. Social Work		
	2014-15	2015-16
Restricted Funds	276,100	279,300
ao. Speech-Language Pathology and Audiology		
	2014-15	2015-16
Restricted Funds	170,100	170,100
ap. Veterinary Examiners		
	2014-15	2015-16
Restricted Funds	277,600	277,600
TOTAL - OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS		
	2014-15	2015-16
Restricted Funds	23,362,200	23,713,700
27. KENTUCKY RIVER AUTHORITY		
	2014-15	2015-16
General Fund	251,200	255,500
Restricted Funds	5,460,500	3,271,800
TOTAL	5,711,700	3,527,300
(1) Water Withdrawal Fees: The water withdrawal fees imposed by the Kentucky River Authority shall not be subject to state and local taxes. Notwithstanding KRS 151.710(10), Tier I water withdrawal fees shall be used to support the operations of the Authority and for contractual services for water supply and quality studies.		
28. SCHOOL FACILITIES CONSTRUCTION COMMISSION		
	2014-15	2015-16
General Fund	99,634,000	108,580,000

(1) **Debt Service:** Included in the above General Fund appropriation is \$525,000 in fiscal year 2014-2015 and \$8,239,000 in fiscal year 2015-2016 for new debt service to support bonds as set forth in Part II, Capital Projects Budget, of this Act.

(2) **Urgent Need School Trust Fund:** The Urgent Need School Trust Fund is established in the Finance and Administration Cabinet for the purpose of assisting school districts that have urgent and critical construction needs. The Urgent Need School Trust Fund shall be administered by the School Facilities Construction Commission. The fund may receive state appropriations, contributions, and grants from any source which shall be credited to the trust fund and invested until needed. All interest earned on the fund shall be retained in the trust fund.

(3) **Additional Offers of Assistance:** Notwithstanding KRS 157.611 to 157.640, 157.650, 157.655, 157.660, and 157.665, the School Facilities Construction Commission is authorized to make an additional \$100,000,000 in offers of assistance during the 2014-2016 biennium in anticipation of debt service availability during the 2016-2018 biennium. No bonded indebtedness based on the above amount is to be incurred during the 2014-2016 biennium.

(4) **Private Donations Facilities Match Program:** The School Facilities Construction Commission (SFCC) shall conduct a study to determine the need for establishing a private donations facilities match program. The SFCC shall report its findings to the Interim Joint Committee on Appropriations and Revenue by July 1, 2015.

(5) **Urgent Needs School Assistance:** (a) If a local school district has an A1 school considered in the listing of the ten schools in the poorest condition in the state according to the Parsons/MGT Report of November 2011 and verified by the Kentucky Department of Education on March 7, 2014, has levied a five cents equivalent tax levy beyond the five cents equivalent tax rate required by KRS 157.440(1)(b), has received state equalization funds, utilized available offers of assistance from the School Facilities Commission and is unable to cash fund or to sufficiently support the required annual debt service for replacement of the school, the School Facilities Construction Commission is authorized to make additional offers of assistance in an amount necessary to close the gap between the available local resources and the amount needed for replacement of the school.

(b) If the school district utilizes the equalization funds appropriated in paragraph (a) of this subsection to support a bond issue for construction purposes, equalization funds shall be provided for 20 years or until the bonds are retired, whichever is less.

(c) If a school district receives an allotment under paragraph (a) of this subsection and subsequently, as the result of litigation or insurance, receives funds for the original facility, the school district shall reimburse the Commonwealth an amount equal to that received pursuant to paragraph (a) of this subsection. If the litigation or insurance receipts are less than the amount received pursuant to paragraph (a) of this subsection, the district shall reimburse the Commonwealth an amount equal to that received as a result of litigation or insurance less the district's costs and legal fees in securing the judgment or payment. Any funds received in this manner shall be deposited in the Budget Reserve Trust Fund Account (KRS 48.705).

29. TEACHERS' RETIREMENT SYSTEM

	2014-15	2015-16
General Fund	326,772,500	299,318,400
Restricted Funds	12,183,500	12,196,600
TOTAL	338,956,000	311,515,000

(1) **State Medical Insurance Fund Financing:** Notwithstanding KRS 161.420 and 161.550, a portion of the state employer contribution in a sufficient amount shall be allocated to the Teachers' Retirement System Medical Insurance Fund instead of the State Accumulation Fund.

(2) **Dependent Subsidy for Retirees under age 65:** Notwithstanding KRS 161.675(4)(a) and (b), from July 1, 2014, through June 30, 2016, for all retirees under the age of 65 who participate in the Kentucky Group Health Insurance Program through the Kentucky Teachers' Retirement System, the Kentucky Teachers' Retirement System Board of Trustees shall have the authority to pay the same dependent subsidy that Executive Branch agencies pay for their active employees who have similar coverage. The dependent subsidy is not subject to KRS 161.714. If the Board of Trustees provides the dependent subsidy, the Board shall submit a report to the Interim Joint Committee on Appropriations and Revenue stating the cost of such action and providing the effect on the actuarial unfunded liability of the system.

(3) **Debt Service:** Included in the above General Fund appropriation is \$120,693,300 in fiscal year 2014-2015 and \$116,436,600 in fiscal year 2015-2016 for debt service on previously issued bonds.

(4) **Unfunded Liability:** It is the intent of the General Assembly in future biennial budget bills to pledge lesser debt service funding requirements for bonds previously issued for the Kentucky Teachers' Retirement System to reduce the unfunded pension liability.

(5) **Administrative Costs:** In accordance with KRS 161.420, in each fiscal year an amount not greater than four percent of the receipts of the state accumulation fund shall be set aside in the expense fund or expended for the administration of the retirement system.

(6) **Amortization of Sick Leave:** Included in the above General Fund appropriation is \$4,527,300 in fiscal year 2014-2015 and \$9,448,000 in fiscal year 2015-2016 to provide the cost of amortizing the requirements of KRS 161.155, relating to sick leave, for members retiring during the 2014-2016 biennium.

(7) **Contribution for Retiree Medical Insurance:** Included in the above General Fund appropriation is an additional \$11,500,000 in fiscal year 2014-2015 and \$22,600,000 in fiscal year 2015-2016 to support the state's contribution for the cost of retiree health insurance for members not eligible for Medicare, who have retired since July 1, 2010, pursuant to KRS 161.550.

30. APPROPRIATIONS NOT OTHERWISE CLASSIFIED

	2014-15	2015-16
General Fund	5,026,400	5,026,400

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

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

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

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

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

(5) **Police Officer, Firefighter, and Active Duty National Guard and Reserve Survivor Benefits:** Funds are appropriated for payment of benefits for state and local police officers, firefighters, and active duty National Guard and Reserve members in accordance with KRS 61.315 and 95A.070.

31. JUDGMENTS

	2014-15	2015-16
General Fund	-0-	-0-

(1) **Payment of Judgments and Carry Forward of General Fund Appropriation Balance:** Notwithstanding KRS 45A.275, the above appropriation is for the payment of judgments as may be rendered against the Commonwealth by courts and orders of the State Personnel Board and, where applicable, shall be subject to KRS Chapter 45, and for the payment of medical malpractice judgments against the University of Kentucky and the University of Louisville in accordance with KRS 164.892 and 164.941, and for the payment of judgments, audit adjustments, and excess billings to federal programs related to transfers from statewide internal service funds to the General Fund authorized in prior appropriations acts. Funds required to pay the costs of items included within the Judgments are appropriated, and any required expenditure over the above amounts is to be paid first from the General

Fund Surplus Account (KRS 48.700), if available, or from the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act.

TOTAL - GENERAL GOVERNMENT

	2013-14	2014-15	2015-16
General Fund (Tobacco)	-0-	33,614,100	14,733,700
General Fund	-0-	683,024,800	665,706,500
Restricted Funds	-0-	250,607,500	264,917,300
Federal Funds	233,400	135,234,300	135,589,000
Road Fund	-0-	510,100	512,500
TOTAL	233,400	1,102,990,800	1,081,459,000

B. ECONOMIC DEVELOPMENT CABINET

Budget Units

1. ECONOMIC DEVELOPMENT

	2014-15	2015-16
General Fund	19,151,800	35,146,600
Restricted Funds	2,711,200	2,749,600
Federal Funds	-0-	5,100,000
TOTAL	21,863,000	42,996,200

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

(2) **Debt Service:** Included in the above General Fund appropriation is \$892,000 in fiscal year 2015-2016 for debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(3) **Lapse and Carry Forward of General Fund Appropriation Balance for Bluegrass State Skills Corporation:** Notwithstanding KRS 45.229, the General Fund appropriation balance for Bluegrass State Skills Corporation training grants for fiscal year 2013-2014 and fiscal year 2014-2015 shall not lapse and shall carry forward. The amount available to the Corporation for disbursement in each fiscal year shall be limited to the unexpended training grant allotment balance at the end of fiscal year 2013-2014 combined with the additional training grant allotment amounts for each fiscal year of the 2014-2016 biennium, less any disbursements. If the required disbursements exceed the Bluegrass State Skills Corporation training grants allotment balance, notwithstanding KRS 154-12.278, Restricted Funds may be expended for training grants, and funds in an amount not to exceed \$2,000,000 shall be appropriated from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

(4) **Kentucky Innovation and Commercialization Center Program:** The Kentucky Innovation and Commercialization Center Program authorized in KRS 154.12-305 shall remain open for the 2014-2016 fiscal biennium. Included in the above General Fund appropriation are sufficient funds to support 12 Innovation and Commercialization Centers.

(5) **Northern Kentucky Waterfront Development:** Included in the above General Fund appropriation is \$150,000 in each fiscal year to be used by the cities of Bellevue, Covington, Dayton, Ft. Thomas, Ludlow, and Newport on projects or activities related to the development of Riverfront Commons. These funds shall be expended for the benefit of a geographic corridor approximately 12 miles long and one-half mile deep along the left bank of the Ohio River in Northern Kentucky in the communities of Bellevue, Covington, Dayton, Ft. Thomas, Ludlow, and Newport. The project shall include the area from the mouth of the Licking River to the Veterans' (Fourth Street) Bridge. No funding shall be used by or distributed to Southbank Partners or any of its employees.

C. DEPARTMENT OF EDUCATION

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

	2014-15	2015-16
General Fund	2,972,270,700	3,009,490,600

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

(2) **Allocation of SEEK Funds:** Notwithstanding KRS 157.360(2)(c), the above General Fund and Federal Funds appropriations to the base SEEK Program are intended to provide a base guarantee of \$3,911 per student in average daily attendance in fiscal year 2014-2015 and \$3,981 per student in average daily attendance in fiscal year 2015-2016 as well as to meet the other requirements of KRS 157.360. In accordance with KRS 157.390(3), \$100 of the base per pupil guarantee shall be for capital outlay purposes.

Funds appropriated to the SEEK Program shall be allotted to school districts in accordance with KRS 157.310 to 157.440, except that the total of the funds allotted shall not exceed the appropriations for this purpose, except as provided in this Act. The total appropriation for the SEEK Program shall be measured by, or construed as, estimates of the state expenditures required by KRS 157.310 to 157.440. If the required expenditures exceed these estimates, the Secretary of the Finance and Administration Cabinet, upon the written request of the Commissioner of Education and with the approval of the Governor, may increase the appropriation by such amount as may be available and necessary to meet, to the extent possible, the required expenditures under the cited sections of the Kentucky Revised Statutes, but any increase of the total appropriation to the SEEK Program is subject to Part III, General Provisions, of this Act and KRS Chapter 48. If funds appropriated to the SEEK Program are insufficient to provide the amount of money required under KRS 157.310 to 157.440, allotments to local school districts may be reduced in accordance with KRS 157.430. ~~Notwithstanding KRS 45.229, any unexpended SEEK funds shall not lapse and shall be transferred to the Kentucky Teachers' Retirement System to be applied to the system's unfunded liability.~~

(3) **Local School District Certified and Classified Employee Pay Increases:** Notwithstanding KRS 157.420(2), local school districts shall provide all certified and classified staff a salary or compensation increase of not less than one percent in fiscal year 2014-2015, and an additional salary or compensation increase of not less than two percent in fiscal year 2015-2016. The salary increase for certified staff shall be in addition to the normal rank and step increase attained by certified personnel employed by local school districts. Classified staff employed by a local board of education that work less than full-time shall receive a pro rata share of the salary increase based on terms of their employment.

(4) **Base SEEK Allotments:** Notwithstanding KRS 157.420(2), included in the above General Fund appropriation is \$2,069,514,800 in fiscal year 2014-2015 and \$2,103,805,900 in fiscal year 2015-2016 for the base SEEK Program as defined by KRS 157.360. Funds appropriated to the SEEK Program shall be allotted to school districts in accordance with KRS 157.310 to 157.440, except that the total of the funds allotted shall not exceed the appropriations for this purpose except as provided in this Act. Notwithstanding KRS 157.360(2)(c), included in the appropriation for the base SEEK Program is \$214,752,800 in each fiscal year for pupil transportation.

(5) **Tier I Component:** Included in the above General Fund appropriation is \$170,476,000 in fiscal year 2014-2015 and \$168,116,200 in fiscal year 2015-2016 for the Tier I component as established by KRS 157.440.

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

(7) **Secondary Vocational Education:** Included in the above General Fund appropriation is \$22,866,900 in fiscal year 2014-2015 and \$22,881,900 in fiscal year 2015-2016 to provide secondary vocational education in state-operated vocational schools.

(8) **Teachers' Retirement System Employer Match:** Included in the above General Fund appropriation is \$372,278,100 in fiscal year 2014-2015 and \$380,489,300 in fiscal year 2015-2016 to enable local school districts to provide the employer match for qualified employees as provided for by KRS 161.550.

(9) **Salary Supplements for Nationally Certified Teachers:** Notwithstanding KRS 157.395, included in the above General Fund appropriation is \$2,750,000 in each fiscal year for the purpose of providing salary supplements for public school teachers attaining certification by the National Board for Professional Teaching Standards. Notwithstanding the provisions of KRS 157.395, if the appropriation is insufficient to provide the

mandated salary supplement for teachers who have obtained this certification, the Department of Education is authorized to pro rata reduce the supplement.

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

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

(12) Facilities Support Program of Kentucky/Equalized Nickel Levies: Included in the above General Fund appropriation is \$76,315,900 in fiscal year 2014-2015 and \$73,953,700 in fiscal year 2015-2016 to provide facilities equalization funding pursuant to KRS 157.440 and 157.620.

(13) Growth Levy Equalization Funding: Included in the above General Fund appropriation is \$16,823,600 in fiscal year 2014-2015 and \$16,659,300 in fiscal year 2015-2016 to provide facilities equalization funding pursuant to KRS 157.440 and 157.620, for districts meeting the eligibility requirements of KRS 157.621(1) and (4).

(14) Retroactive Equalized Facility Funding: Included in the above General Fund appropriation is \$10,753,400 in fiscal year 2014-2015 and \$10,741,700 in fiscal year 2015-2016 to provide equalized facility funding pursuant to KRS 157.440 and 157.620 to districts meeting the eligibility requirements of KRS 157.621(2) and (4). In addition, a local board of education that levied a tax rate subject to recall by January 1, 2014, in addition to the five cents levied pursuant to KRS 157.440(1)(b) and that committed the receipts to debt service, new facilities, or major renovations of existing facilities shall be eligible for equalization funds from the state at 150 percent of the statewide average per pupil assessment. Revenue to generate the five cent equivalent levy may be obtained from levies on property, motor vehicles, or the taxes authorized by KRS 160.593 to 160.597, 160.601 to 160.633, and 160.635 to 160.648 if the levy was dedicated to facilities funding at the time of the levy. The equalization funds shall be used as provided in KRS 157.440(1)(b). For the 2014-2016 fiscal biennium, school districts that levied the tax rate subject to recall prior to September 1, 2012, and began collecting the tax in fiscal year 2012-2013 shall be equalized at 100 percent of the calculated equalization funding, and school districts that levied the tax rate subject to recall after September 1, 2012, and began collecting the tax in the following fiscal year shall be equalized at 25 percent of the calculated equalization funding in each fiscal year. It is the intent of the 2014 General Assembly that any local school district receiving partial equalization under this subsection in the 2014-2016 fiscal biennium shall receive full calculated equalization in the 2016-2018 fiscal biennium and thereafter.

(15) Equalized Facility Funding: Included in the above General Fund appropriation is \$6,271,500 in fiscal year 2014-2015 and \$6,096,100 in fiscal year 2015-2016 to provide equalized facility funding pursuant to KRS 157.420 and 157.620 to districts meeting the eligibility requirements of KRS 157.621(3) and (4).

(16) BRAC Equalized Facility Funding: Included in the above General Fund appropriation is \$1,719,100 in fiscal year 2014-2015 and \$1,658,800 in fiscal year 2015-2016 to provide equalized facility funding to school districts meeting the eligibility requirements of KRS 157.621(1)(c) pursuant to KRS 157.440 and 157.620.

(17) Instructional Days: Notwithstanding KRS 158.070, the school term for fiscal year 2014-2015 and fiscal year 2015-2016 shall include the equivalent of 177 six-hour instructional days. Districts may exceed 177 six-hour instructional days.

(18) Hold-Harmless Guarantee: A modified hold-harmless guarantee is established in fiscal biennium 2014-2016 which provides that every local school district shall receive at least the same amount of Support Education Excellence in Kentucky (SEEK) state funding per pupil as was received in fiscal year 1991-1992. If funds appropriated to the SEEK Program are insufficient to provide the amount of money required under KRS 157.310 to 157.440, and allotments to local school districts are reduced in accordance with KRS 157.430, allocations to school districts subject to this provision shall not be reduced.

(19) Equalization Funding for Critical Construction Needs Schools: (a) Included in the above General Fund appropriation is \$5,331,800 in fiscal year 2014-2015 and \$5,168,000 in fiscal year 2015-2016 to provide equalization funding for school districts that have school facilities classified as Category 5 on May 18, 2010, by the Department of Education; Sheldon Clark High School in Martin County, which has been determined to be structurally unsound by a certified engineer; Magoffin County Schools, which have serious space limitations as a result of tornado damage; Carlisle County Elementary School, which is the A1 school determined to be in the poorest

condition in the state according to the Parsons/MGT Report of November 2011; and school districts that have levied an additional five cents equivalent tax rate for debt service, new construction, and major renovation beyond the five cents equivalent tax rate required by KRS 157.440(1)(b), except as provided in paragraph (c) of this subsection. Equalization shall be provided at 150 percent of the statewide average per pupil assessment beginning in the fiscal year following the fiscal year in which the levy is imposed. This levy shall be subject to the recall provisions of KRS 132.017. Local school districts that have schools rated in poor condition in the Parsons/MGT Report of November 2011 are encouraged to levy an additional five cents equivalent tax rate for debt service, new construction, and major renovation beyond the five cents equivalent tax rate required by KRS 157.440(1)(b), except as provided in paragraph (c) of this subsection in anticipation of receiving equalization funding during the 2016-2018 fiscal biennium.

(b) If the total revenue generated in the 2014-2016 fiscal biennium by the additional five cents equivalent tax levy, the equalization funds, and any escrowed or additional offers of assistance from the School Facilities Construction Commission is insufficient to cash fund the project or to sufficiently support the required annual debt service for the entirety of the capital project, the school district shall be awarded additional funds equal to the amount of annual debt service necessary to complete the project in its entirety. Any funds included in paragraph (a) of this subsection not necessary to provide equalization in each fiscal year shall be used for this purpose. If the total funds appropriated in paragraph (a) of this subsection are insufficient, the School Facilities Construction Commission is authorized to make additional offers of assistance not to exceed the debt service for \$7,300,000 for Carlisle County, not to exceed the debt service for \$5,000,000 for Magoffin County, and not to exceed the debt service for \$14,000,000 for Martin County.

(c) If the school district utilizes the equalization funds appropriated in paragraph (a) of this subsection to support a bond issue for construction purposes, equalization funds shall be provided for 20 years or until the bonds are retired, whichever is less.

(d) If a school district receives an allotment under paragraph (a) of this subsection and subsequently, as the result of litigation or insurance, receives funds for the original facility, the school district shall reimburse the Commonwealth an amount equal to that received pursuant to paragraph (a) of this subsection. If the litigation or insurance receipts are less than the amount received pursuant to paragraph (a) of this subsection, the district shall reimburse the Commonwealth an amount equal to that received as a result of litigation or insurance less the district's costs and legal fees in securing the judgment or payment. Any funds received in this manner shall be deposited in the Budget Reserve Trust Fund Account (KRS 48.705).

2. OPERATIONS AND SUPPORT SERVICES

	2014-15	2015-16
General Fund	48,761,000	52,905,600
Restricted Funds	8,199,700	8,275,500
Federal Funds	328,484,800	328,656,500
TOTAL	385,445,500	389,837,600

(1) **Employment of Personnel:** Notwithstanding KRS 18A.115, the Department of Education may fill, through memoranda of agreement, not more than 50 percent of its existing authorized positions below the division director level with individuals employed as school administrators and educators in Kentucky.

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

(3) **School Technology in Coal Counties:** Notwithstanding KRS 42.4588(2) and (4), included in the above General Fund appropriation is \$1,750,000 in each fiscal year from the Local Government Economic Development Fund for the purpose of enhancing education technology in local school districts within coal-producing counties. The Commissioner of Education shall use the appropriation in this subsection to continue the Coal County Computing Program in conjunction with the Cabinet for Economic Development through its Department of Commercialization and Innovation.

(4) **Debt Service:** Included in the above General Fund appropriation is \$61,000 in fiscal year 2014-2015 and \$183,000 in fiscal year 2015-2016 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(5) **Education Technology Program:** Included in the above General Fund appropriation is \$19,299,500 in fiscal year 2014-2015 and \$22,999,500 in fiscal year 2015-2016 for the Kentucky Education Technology System. Included in this appropriation is \$800,000 in fiscal year 2015-2016 for the Statewide IT Academy.

3. LEARNING AND RESULTS SERVICES

	2014-15	2015-16
General Fund	985,063,800	1,030,848,400
Restricted Funds	24,577,600	25,634,300
Federal Funds	559,363,000	559,730,700
TOTAL	1,569,004,400	1,616,213,400

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

(2) **Family Resource and Youth Services Centers:** Funds appropriated to establish and support Family Resource and Youth Services Centers shall be transferred in fiscal year 2014-2015 and in fiscal year 2015-2016 to the Cabinet for Health and Family Services consistent with KRS 156.496. The Cabinet for Health and Family Services is authorized to use, for administrative purposes, no more than three percent of the total funds transferred from the Department of Education for the Family Resource and Youth Services Centers. If a certified person is employed as a director or coordinator of a Family Resource and Youth Services Center, that person shall retain his or her status as a certified employee of the school district.

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

(3) **Health Insurance:** Included in the above General Fund appropriation is \$672,662,900 in fiscal year 2014-2015 and \$686,116,200 in fiscal year 2015-2016 for employer contributions for health insurance and the contribution to the health reimbursement account for employees waiving coverage.

(4) **Program Flexibility:** Notwithstanding KRS 157.3175(3) and (4) and 160.345(8) with regard to the state allocation for Professional Development, Extended School Services, Instructional Resources, and Safe Schools, local school districts shall be provided additional flexibility in the utilization of these funds. Local school districts shall continue to address the governing statutes and serve the intended student population but may utilize funds from these programs for general operating expenses in each year of the biennium. Local school districts that utilize these funds for general operating expenses shall report to the Kentucky Department of Education and the Interim Joint Committee on Education on an annual basis the amount of each program funding utilized for general operating expenses.

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

(6) **Coordination With Head Start:** Each local district shall work with Head Start and other existing preschool programs to avoid duplication of services and programs, to avoid supplanting federal funds, and to maximize Head Start funds in order to serve as many four-year-old children as possible, and shall maintain certification from the Head Start director that the Head Start Program is fully utilized. If a local district fails to comply with the requirements of this subsection, the Commissioner of Education shall withhold preschool funding for an amount equal to the number of Head Start-eligible children served in the district who would have been eligible to be served by Head Start under the full utilization certification required under this subsection. The Commissioner of Education shall resolve any disputes and make a determination of the district's compliance with the full utilization requirement. Notwithstanding KRS 157.3175(1)(a) and (b) and 157.3175(4)(b), the Department of Education shall

implement entrance age requirements for preschool beginning in the 2014-2015 school year to align with the new school entrance age requirements pursuant to KRS 158.030.

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

(8) Use of Local District Capital Funds: Notwithstanding KRS 157.420(4) and (6), 157.440, and 157.621, a local board of education may submit a request to the Commissioner of Education to utilize any capital funds, regardless of the source, for general operating expenses in each fiscal year without forfeiting the district's eligibility to participate in the School Facilities Construction Commission Program. Prior to August 1, 2014, the Kentucky Board of Education shall approve guidelines to be followed in considering such requests from local boards of education.

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

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

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

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

(d) No later than July 1, 2014, the Commissioner of Education shall develop procedures for local school districts to follow to accomplish the requirements of paragraphs (b) and (c) of this subsection.

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

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

(13) Allocations to School-Based Decision Making Councils: Notwithstanding KRS 160.345(6), for fiscal years 2014-2015 and 2015-2016, a local board of education may reduce the allocations to individual schools within the district as outlined in 702 KAR 3:246, secs. 6, 7, and 8. The allocation under 702 KAR 3:246, sec. 6, shall not be less than \$100 per pupil in average daily attendance.

(14) Kentucky School for the Blind and Kentucky School for the Deaf: Included in the above General Fund appropriation is \$6,549,400 in fiscal year 2014-2015 and \$6,672,700 in fiscal year 2015-2016 for the Kentucky School for the Blind and \$9,633,900 in fiscal year 2014-2015 and \$9,815,300 in fiscal year 2015-2016 for the Kentucky School for the Deaf.

(15) Learning and Results Services Programs: Notwithstanding KRS 156.265, included in the above General Fund appropriation are the following allocations for the 2014-2016 fiscal biennium~~[-but no portion of these funds shall be utilized for state-level administrative purposes]:~~

- (a) \$1,236,000 in each fiscal year for the ACT and WorkKeys testing;
- (b) \$72,300 in each fiscal year for the Appalachian Learning Disabled Tutoring Program;
- (c) \$525,100 in each fiscal year for the Blind/Deaf Residential Travel Program;
- (d) \$1,225,600 in each fiscal year for the Collaborative Center for Literacy Development;

- (e) \$1,358,800 in each fiscal year for the Commonwealth School Improvement Fund;
- (f) \$1,936,400 in each fiscal year for the Community Education Program;
- (g) \$576,100 in each fiscal year for the Dropout Prevention Program;
- (h) \$424,100 in each fiscal year for the Elementary Arts and Humanities Program;
- (i) \$451,400 in each fiscal year for the Every1 Reads Program;
- (j) \$19,105,900 in fiscal year 2014-2015 and \$25,510,700 in fiscal year 2015-2016 for the Extended School Services Program;
- (k) \$52,148,300 in each fiscal year for the Family Resource and Youth Services Centers Program;
- (l) \$227,900 in each fiscal year for the Georgia Chaffee Teenage Parent Program;
- (m) \$6,622,300 in each fiscal year for the Gifted and Talented Program;
- (n) \$328,800 in each fiscal year for the Leadership and Mentor Fund;
- (o) \$1,483,700 in each fiscal year for the Local School District Life Insurance;
- (p) \$5,353,600 in each fiscal year for the Mathematics Achievement Fund;
- (q) \$339,200 in each fiscal year for the Middle School Academic Center;
- (r) \$71,315,300 in fiscal year 2014-2015 and \$90,113,200 in fiscal year 2015-2016 for the Preschool Program;
- (s) \$8,848,800 in fiscal year 2014-2015 and \$11,927,700 in fiscal year 2015-2016 for the Professional Development Program;
- (t) \$720,300 in each fiscal year for the Teacher's Professional Growth Fund;
- (u) \$16,999,000 in each fiscal year for the Read to Achieve Program;
- (v) \$7,267,800 in fiscal year 2014-2015 and \$10,378,300 in fiscal year 2015-2016 for the Safe Schools Program;
- (w) \$941,400 in each fiscal year for the Save the Children/Rural Literacy Program;
- (x) \$3,646,200 in each fiscal year for the School Food Services;
- (y) \$10,096,500 in each fiscal year for the State Agency Children Program;
- (z) \$1,400,800 in each fiscal year for the Teacher Academies Program;
- (aa) \$16,700,000 in each fiscal year for Instructional Resources;
- (ab) \$1,338,200 in each fiscal year for the Teacher Recruitment and Retention Program-Educator Quality and Diversity;
- (ac) \$700,300 in each fiscal year for the Virtual Learning Program;
- (ad) \$534,300 in each fiscal year for the Writing Program;
- (ae) \$100,000 in each fiscal year for the Lexington Hearing and Speech Center,
- (af) \$100,000 in each fiscal year for the Heuser Hearing and Language Academy;
- (ag) \$100,000 in each fiscal year for the Visually Impaired Preschool Services program; and
- (ah) \$800,000 in fiscal year 2014-2015 and \$1,200,000 in fiscal year 2015-2016 for AdvanceKentucky.

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

Vocational Education Centers in any offers of assistance to local school districts for technology assistance during the 2014-2016 fiscal biennium.

(17) Transfer of State-Operated Secondary Vocational Education and Technology Centers: (a)

Notwithstanding KRS 151B.035, 151B.040, 151B.045, 151B.050, 151B.055, and 151B.070, effective at the beginning of fiscal year 2014-2015, a local board of education may submit a request to the Executive Director of the Office of Career and Technical Education to assume authority for the management and control of a state-operated secondary vocational education and technology center. Upon agreement between the Executive Director of the Office of Career and Technical Education and the local board of education for the transfer of a state-operated secondary vocational education and technology center, all personnel, equipment, and supplies shall be transferred to the local board of education and shall only be utilized for the operation of the locally operated vocational center. The transfer of management and control of the secondary area vocational education and technology center shall be considered a permanent transfer to the local district.

(b) A certified employee who is affected by a transfer to the local board of education under paragraph (a) of this subsection shall be granted a one year limited contract by the local board of education and shall be employed on the local district salary schedule. A classified employee shall be guaranteed employment equal to his or her present status for at least one complete school term. A transferred employee shall be provided the benefits of comparable employees in the district and shall be subject to all rules and policies of the local board of education, including but not limited to disciplinary and personnel actions that are the same as those that may be exercised by the district for any other employee in the district during a contract period.

(c) A transferred employee who has accrued annual leave and compensatory time shall be paid a lump sum for the accrued time at the effective date of the transfer by the Office of Career and Technical Education. The employee shall be granted credit for accrued sick leave up to the maximum allowed for transfers for teachers between school districts. Sick leave credit shall be awarded to a classified employee based on the local board policy. Any excess sick leave that a classified or certified employee has earned that the district will not accept in the transfer may be requested to be held in escrow by the appropriate state personnel system under KRS Chapter 18A or 151B, and the sick leave balance shall be restored to the employee if the employee returns to a state government position.

(d) An employee who is to be transferred to a local board of education under provisions of this subsection but who chooses not to accept a one-year limited contract with the board shall be separated from the state system and the employee's position shall be abolished. The employee may apply for any state position for which the employee is qualified but shall not be granted priority over other applicants for a position because the employee's position was abolished due to a transfer of the vocational education and technology center. An employee who refuses a contract with the local board shall be provided a lump-sum payment for accrued annual leave and compensatory time, and the employee's sick leave balance shall be placed in escrow by the appropriate state personnel system under KRS Chapter 18A or 151B. The sick leave balance shall be restored to the employee if the employee returns to a state government position.

(e) A certified employee, other than a principal, who has earned continuing status in the state certified personnel system under KRS Chapter 151B may be granted tenure under the provisions of KRS 161.740(1)(c). A principal may be granted tenure as a teacher, but the provisions relating to demotion of the principal under KRS 161.765 shall apply.

(f) An employee of the Office of Career and Technical Education who is transferred to the local school district and who occupies a position covered by the Kentucky Teachers' Retirement System shall remain in the Teachers' Retirement System.

(g) General Fund moneys previously appropriated to the Office of Career and Technical Education for support of the transferred state-operated vocational technical school shall be appropriated to the Kentucky Department of Education for support of the local board of education center operations effective at the beginning of fiscal year 2014-2015. In addition, the local board of education shall receive 100 percent of the Support Education Excellence in Kentucky (SEEK) Program funds from the Kentucky Department of Education that are generated from students enrolled in the center.

(18) Transfer of Locally Operated Secondary Vocational Education and Technology Centers: (a)

Effective at the beginning of fiscal year 2014-2015, a local board of education that has operated a career and technical center for at least five years may submit a request to the Executive Director of the Office of Career and Technical Education to relinquish authority for the management and control of the career and technical center to the Office of Career and Technical Education. Upon agreement between the Executive Director of the Office of Career and Technical Education and the local board of education for the transfer of a locally operated career and technical

center, the local board of education shall transfer all personnel, equipment, and supplies to the Office of Career and Technical Education.

(b) A certified employee who is affected by a transfer to the Office of Career and Technical Education under paragraph (a) of this subsection shall be granted the same status by the Office of Career and Technical Education as he or she had at the close of employment with the local board of education and shall be employed on the state salary schedule. A classified employee shall be guaranteed employment equal to his or her status in the local school district for at least one complete school term. A transferred employee shall be provided the benefits of comparable employees in the Office of Career and Technical Education and shall be subject to all rules and policies of the Office of Career and Technical Education, including but not limited to disciplinary and personnel actions that are the same as those that may be exercised by the Office for any other employee of the Commonwealth during a contract period.

(c) A certified employee shall be granted credit for accrued sick leave by the Office of Career and Technical Education up to the maximum allowed for transfers for teachers between school districts. The Office of Career and Technical Education shall award sick leave credit to a classified employee based on the sick leave accumulated in the local district. Any excess sick leave that a classified or certified employee earned that had been held in escrow by the appropriate state personnel system under KRS Chapter 18A or 151B when transfer was made to the local board of education shall be restored to the employee.

(d) An employee who is to be transferred to the Office of Career and Technical Education under the provisions of this subsection but who chooses not to accept employment with the Commonwealth shall be separated from the local board of education and the employee's position shall be abolished. The employee may apply for any local board of education or state position for which the employee is qualified but shall not be granted priority over other applicants for a position because the employee's position was abolished due to a transfer of the area vocational education and technical center.

(e) A certified employee, other than a principal, who has earned continuing status in the local school district under KRS 161.740(1), shall be granted continuing status under the provisions of KRS 151B.055. A principal may be granted continuing status as a teacher, but the provisions relating to demotion under KRS 151B.055(8) shall apply.

(f) An employee of a local board of education who is transferred to the Office of Career and Technical Education and who occupies a position covered by the Kentucky Teachers' Retirement System shall remain in the Kentucky Teachers' Retirement System.

(g) General Fund moneys previously appropriated to a local board of education for support of the career and technical center shall be appropriated to the Office of Career and Technical Education. In addition, the Office of Career and Technical Education shall receive 100 percent of the Support Education Excellence in Kentucky (SEEK) Program funds from the Kentucky Department of Education that are generated from students enrolled in the career and technical center.

(19) Regional Collaborative Career Academy: (a) Included in the above appropriation is \$250,000 in fiscal year 2014-2015 for planning for the establishment of a Regional Collaborative Career Academy. This academy is a collaborative effort of the Carroll County Schools, Gallatin County Schools, Henry County Schools, Owen County Schools, and Trimble County Schools. Funds will be distributed to the school district selected to serve as the fiscal agent.

(b) The funds shall be utilized by the five districts to develop a governance, financing, and staffing structure for the collaborative school; to consult with parents, students, and regional employers to develop career pathway programs of study linked to regional, high-growth, high-demand job sectors; to develop a curriculum framework; and to establish targets for increasing the number of students within their districts who meet Kentucky's College and Career Readiness benchmarks and who pursue postsecondary education and industry certification.

(c) The districts shall consult with the Kentucky Department of Education's Office of Career and Technical Education throughout the planning process to ensure plans for the collaborative school are aligned with state statutes and regulations and the Office's plans for improving Career and Technical Education throughout Kentucky.

(d) The districts shall coordinate with the Kentucky Department of Education, the Kentucky Council on Postsecondary Education, the Kentucky Community and Technical College System, the Kentucky Cabinet for Education and Workforce Development, and the Kentucky Cabinet for Economic Development to establish a Regional Advisory Committee that includes the school district superintendents, industry partners, community college

and university representatives, economic developers, regional Workforce Investment Boards, elected representatives of their communities, parents, and students.

(e) The districts shall convene the Regional Advisory Committee to advise them on development of the Collaborative Career Academy; to align program offerings with employer and workforce needs; to ensure the career pathway programs offered lead to work-based learning and postsecondary study; and to provide ongoing consultation and evaluation.

(f) The districts may utilize the funds appropriated to obtain assistance with plan development and coordination of the Regional Advisory Committee and other planning activities.

(g) The five districts shall provide quarterly, written progress reports to the Kentucky Department of Education and present a report on utilization of the funds and the plans developed to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Education no later than December 1, 2014.

(20) College/Career Readiness: Included in the above General Fund appropriation is \$3,000,000 in each fiscal year for additional staffing at vocational/technical schools.

(21) Teach for America: Included in the above General Fund appropriation is \$250,000 in each fiscal year for Teach for America.

(22) Funding for Employer Health and Life Insurance: If the costs for health insurance or life insurance coverage for employees of local school districts exceed the levels of appropriated funds, any unexpended Support Education Excellence in Kentucky appropriations may be used to offset the unbudgeted costs. Any transfer shall be subject to the approval of the Governor upon the written recommendation of the State Budget Director pursuant to the written request of the Commissioner of Education. The per-month, per-employee administrative assessment shall be remitted to the Personnel Cabinet by the Department of Education from the General Fund appropriation for local school district health and life insurance. Any necessary transfer under this subsection shall be before any transfer to the Kentucky Teachers' Retirement System pursuant to Part I, C., 1., (2) of this Act.

TOTAL - DEPARTMENT OF EDUCATION

	2014-15	2015-16
General Fund	4,006,095,500	4,093,244,600
Restricted Funds	32,777,300	33,909,800
Federal Funds	887,847,800	888,387,200
TOTAL	4,926,720,600	5,015,541,600

D. EDUCATION AND WORKFORCE DEVELOPMENT CABINET

Budget Units

1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT

	2014-15	2015-16
General Fund	4,434,100	4,750,100
Restricted Funds	5,131,300	5,398,300
Federal Funds	659,800	340,500
TOTAL	10,225,200	10,488,900

(1) Governor's Scholars Program: Included in the above General Fund appropriation is \$1,968,600 in fiscal year 2014-2015 and \$1,970,400 in fiscal year 2015-2016 for the Governor's Scholars Program.

(2) Kentucky Center for Education and Workforce Statistics: Included in the above General Fund appropriation is \$250,000 in fiscal year 2015-2016 to support the Kentucky Center for Education and Workforce Statistics (KCEWS).

2. PROPRIETARY EDUCATION

	2014-15	2015-16
Restricted Funds	272,300	283,100

3. DEAF AND HARD OF HEARING

	2014-15	2015-16
General Fund	861,300	883,200
Restricted Funds	1,109,200	1,109,200
TOTAL	1,970,500	1,992,400

4. KENTUCKY EDUCATIONAL TELEVISION

	2013-14	2014-15	2015-16
General Fund	-0-	13,037,900	13,245,000
Restricted Funds	930,500	1,451,000	1,451,000
TOTAL	930,500	14,488,900	14,696,000

5. ENVIRONMENTAL EDUCATION COUNCIL

	2014-15	2015-16
Restricted Funds	239,900	242,400

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

6. LIBRARIES AND ARCHIVES

a. General Operations

	2013-14	2014-15	2015-16
General Fund	-0-	6,118,300	6,217,500
Restricted Funds	777,900	3,482,700	2,279,700
Federal Funds	-0-	2,148,000	2,225,400
TOTAL	777,900	11,749,000	10,722,600

b. Direct Local Aid

	2014-15	2015-16
General Fund	6,325,900	6,325,900
Restricted Funds	895,700	895,700
Federal Funds	556,600	514,500
TOTAL	7,778,200	7,736,100

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

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

(3) **Collaboration with Public Entities:** The Department for Libraries and Archives shall collaborate with Kentucky's public colleges, universities, and libraries to explore alternatives to meet the archival needs of the Commonwealth.

(4) **Public Libraries Facilities Construction:** Included in the above General Fund appropriation is \$1,000,000 in each fiscal year for the Public Libraries Facilities Construction Fund. Notwithstanding the provisions of KRS 171.027 and 725 KAR 2:015, local public libraries that currently own property, have debt service obligations, or are actively engaged in a construction project and have not been able to secure assistance from this fund due to lack of available funds shall be permitted to apply for grant funds during the 2014-2016 fiscal biennium.

TOTAL - LIBRARIES AND ARCHIVES

2013-14	2014-15	2015-16
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General Fund	-0-	12,444,200	12,543,400
Restricted Funds	777,900	4,378,400	3,175,400
Federal Funds	-0-	2,704,600	2,739,900
TOTAL	777,900	19,527,200	18,458,700

7. OFFICE FOR THE BLIND

	2014-15	2015-16
General Fund	1,385,100	1,413,700
Restricted Funds	1,176,100	1,093,800
Federal Funds	7,242,700	7,377,400
TOTAL	9,803,900	9,884,900

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

8. EMPLOYMENT AND TRAINING

	2014-15	2015-16
Restricted Funds	30,158,300	30,158,300
Federal Funds	1,123,935,300	1,127,507,300
TOTAL	1,154,093,600	1,157,665,600

9. VOCATIONAL REHABILITATION

	2014-15	2015-16
General Fund	11,585,200	11,709,100
Restricted Funds	3,140,000	3,301,700
Federal Funds	44,567,600	45,251,900
TOTAL	59,292,800	60,262,700

(1) **Interpreter Services:** Included in the above General Fund appropriation is \$431,100 in each fiscal year to provide accessibility services for deaf and hard of hearing students in postsecondary education institutions.

10. EDUCATION PROFESSIONAL STANDARDS BOARD

	2014-15	2015-16
General Fund	7,307,100	7,361,300
Restricted Funds	1,722,900	750,100
Federal Funds	201,400	205,300
TOTAL	9,231,400	8,316,700

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

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

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

TOTAL - EDUCATION AND WORKFORCE DEVELOPMENT CABINET

2013-14	2014-15	2015-16
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General Fund	-0-	51,054,900	51,905,800
Restricted Funds	1,708,400	48,779,400	46,963,300
Federal Funds	-0-	1,179,311,400	1,183,422,300
TOTAL	1,708,400	1,279,145,700	1,282,291,400

E. ENERGY AND ENVIRONMENT CABINET

Budget Units

1. SECRETARY

	2014-15	2015-16
General Fund	3,290,600	3,244,400
Restricted Funds	1,193,600	1,298,300
Federal Funds	1,075,100	1,046,400
TOTAL	5,559,300	5,589,100

(1) **Administrative Support:** Any entities administratively attached to the Energy and Environment Cabinet may receive support from the appropriate budgetary unit(s) of the cabinet.

2. ENVIRONMENTAL PROTECTION

	2014-15	2015-16
General Fund	21,417,700	21,846,400
Restricted Funds	69,683,300	70,010,200
Federal Funds	23,702,400	23,230,900
Road Fund	316,400	320,900
TOTAL	115,119,800	115,408,400

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

(2) **Debt Service:** Included in the above General Fund appropriation is \$27,000 in fiscal year 2015-2016 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(3) **Kentucky Pride Program:** Included in the above Restricted Funds appropriation is \$14,750,000 in each fiscal year for the Kentucky Pride Program.

3. NATURAL RESOURCES

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

(1) **Emergency Forest Fire Suppression:** Not less than \$240,000 of the above General Fund appropriation for each fiscal year shall be set aside for emergency forest fire suppression. There is appropriated from the General Fund the necessary funds, subject to the conditions and procedures provided in this Act, which are required as a result of emergency fire suppression activities in excess of \$240,000. Fire suppression costs in excess of \$240,000 annually shall be deemed necessary government expenses and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

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

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

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

(5) **Division of Oil and Gas:** Notwithstanding KRS 42.4588, included in the above Restricted Funds appropriation is \$25,000 in each fiscal year for the Division of Oil and Gas within the Department for Natural Resources for an update of the Best Practices Manual.

4. ENERGY DEVELOPMENT AND INDEPENDENCE

	2014-15	2015-16
General Fund	1,344,000	1,356,600
Restricted Funds	2,549,500	1,847,400
Federal Funds	622,000	580,200
TOTAL	4,515,500	3,784,200

(1) **Energy Research and Development:** (a) Notwithstanding KRS 42.4588, included in the above Restricted Funds appropriation is \$1,584,500 in fiscal year 2014-2015 and \$1,423,800 in fiscal year 2015-2016, which shall be used, except as specified in paragraph (b) of this subsection, for research and commercialization projects including clean coal, new combustion technology, thin-seam coal extraction safety, tracking and communication devices, coal slurry disposal, synthetic natural gas produced from coal through gasification processes, and the development of alternative transportation fuels produced by processes that convert coal or biomass resources or extract oil from oil shale, and other coal research and shall be targeted solely to Kentucky's Local Government Economic Development Fund-eligible counties. The Department for Energy Development and Independence shall coordinate its efforts with those of Kentucky's universities and related Kentucky Community and Technical College System programs in order to maximize Kentucky's opportunities for federal funding and receive research grants and awards from federal and other sources of funding for the development of clean coal technology, coal-to-liquid-fuel conversion, alternate transportation fuels, and biomass energy resources.

(b) Included in the Restricted Funds appropriation in paragraph (a) of this subsection is \$1,000,000 in each fiscal year which shall not be expended unless matched with federal or private funds for the purpose of supporting research and development activities at the University of Kentucky Center for Applied Energy Research.

5. KENTUCKY NATURE PRESERVES COMMISSION

	2014-15	2015-16
General Fund	1,061,700	1,086,400
Restricted Funds	369,900	357,400
Federal Funds	55,000	56,200
TOTAL	1,486,600	1,500,000

6. PUBLIC SERVICE COMMISSION

	2014-15	2015-16
General Fund	17,000,000	17,000,000
Restricted Funds	223,100	223,100
Federal Funds	227,700	236,900
TOTAL	17,450,800	17,460,000

(1) **Debt Service:** Included in the above General Fund appropriation is \$589,000 in each fiscal year for debt service for previously issued bonds.

(2) **Lapse of General Fund Appropriation Balance:** Notwithstanding KRS 278.150(3), \$7,213,600 in fiscal year 2014-2015 and \$7,068,000 in fiscal year 2015-2016 shall lapse to the credit of the General Fund.

(3) **Water Districts and Water Associations:** A water district created pursuant to KRS Chapter 74 and a water association formed under KRS Chapter 273 that undertakes a waterline extension or improvement project shall not be required to obtain a certificate of public convenience and necessity, notwithstanding KRS 278.020(1), if the water district or water association is a Class A or B utility as defined in the Uniform System of Accounts established by the Public Service Commission, pursuant to KRS 278.220, as the system of accounts prescribed for utilities in Kentucky, and either: (a) The water line extension or improvement project will not cost in excess of \$500,000; or (b) The water district or water association will not, as a result of the water line extension or improvement project, incur obligations requiring Public Service Commission approval pursuant to KRS 278.300. In either case, the water district or water association shall not, as a result of the water line extension or improvement project, increase rates to its customers.

TOTAL - ENERGY AND ENVIRONMENT CABINET

	2013-14	2014-15	2015-16
General Fund (Tobacco)	-0-	6,000,000	-0-
General Fund	742,600	76,996,900	78,113,400
Restricted Funds	-0-	90,451,100	90,078,800
Federal Funds	-0-	81,773,500	81,603,700
Road Fund	-0-	316,400	320,900
TOTAL	742,600	255,537,900	250,116,800

F. FINANCE AND ADMINISTRATION CABINET

Budget Units

1. GENERAL ADMINISTRATION

	2014-15	2015-16
General Fund	9,794,100	10,416,900
Restricted Funds	33,301,200	35,014,200
Federal Funds	3,177,000	3,177,000
Road Fund	422,900	429,000
TOTAL	46,695,200	49,037,100

(1) **Debt Service:** Included in the above General Fund appropriation is \$1,271,500 in fiscal year 2014-2015 and \$3,083,000 in fiscal year 2015-2016 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

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

(3) **Kentucky State University Health Initiative Trust Fund:** Included in the above General Fund appropriation is \$50,000 in fiscal year 2014-2015 for the Kentucky State University health initiative trust fund.

(4) **Rupp Arena/Lexington Convention Center:** Included in the above General Fund appropriation is \$1,500,000 in fiscal year 2014-2015 for the Rupp Arena/Lexington Convention Center project. The Lexington-Fayette Urban County Government shall provide a cash match of \$1,500,000 prior to any funds being disbursed. These funds are provided for expenses including architect and engineering fees, preconstruction planning, development, and other appropriate costs associated with the project. This permits all parties involved to finalize a viable financing plan. It is the intent of the General Assembly to advance this project when all financing components of the project are identified, secured, and in the public domain. There are sufficient dollars in the Budget Reserve

Trust Fund Account (KRS 48.705) to support debt service on any such project authorized by the General Assembly during the 2014-2016 fiscal biennium.

2. CONTROLLER

	2014-15	2015-16
General Fund	5,914,100	5,984,000
Restricted Funds	8,855,000	9,082,400
TOTAL	14,769,100	15,066,400

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

3. DEBT SERVICE

	2014-15	2015-16
General Fund (Tobacco)	30,570,000	30,657,000
General Fund	425,439,600	424,920,500
TOTAL	456,009,600	455,577,500

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

4. FACILITIES AND SUPPORT SERVICES

	2014-15	2015-16
General Fund	5,618,900	6,129,300
Restricted Funds	42,084,600	42,398,800
TOTAL	47,703,500	48,528,100

(1) **Debt Service:** Included in the above General Fund appropriation is \$274,000 in fiscal year 2014-2015 and \$673,500 in fiscal year 2015-2016 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

5. COUNTY COSTS

	2014-15	2015-16
General Fund	15,897,000	15,897,000
Restricted Funds	1,702,500	1,702,500
TOTAL	17,599,500	17,599,500

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

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

6. COMMONWEALTH OFFICE OF TECHNOLOGY

	2014-15	2015-16
Restricted Funds	137,028,000	137,504,500
Federal Funds	1,991,000	1,991,000
TOTAL	139,019,000	139,495,500

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

7. REVENUE

	2014-15	2015-16
General Fund (Tobacco)	250,000	250,000
General Fund	86,332,200	87,642,700
Restricted Funds	14,064,800	11,479,500
Road Fund	2,912,800	2,970,600
TOTAL	103,559,800	102,342,800

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

8. PROPERTY VALUATION ADMINISTRATORS

	2014-15	2015-16
General Fund	42,342,900	43,555,500

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

TOTAL - FINANCE AND ADMINISTRATION CABINET

	2014-15	2015-16
General Fund (Tobacco)	30,820,000	30,907,000
General Fund	591,338,800	594,545,900
Restricted Funds	237,036,100	237,181,900
Federal Funds	5,168,000	5,168,000
Road Fund	3,335,700	3,399,600
TOTAL	867,698,600	871,202,400

G. HEALTH AND FAMILY SERVICES CABINET

Budget Units

1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT

	2014-15	2015-16
General Fund	28,450,600	29,028,600
Restricted Funds	13,865,600	16,900,200
Federal Funds	50,572,900	42,809,700
TOTAL	92,889,100	88,738,500

(1) **Human Services Transportation Delivery:** Notwithstanding KRS 281.014, the Kentucky Works Program shall not participate in the Human Services Transportation Delivery Program or the Coordinated Transportation Advisory Committee.

(2) **Debt Service:** Included in the above General Fund appropriation is \$105,000 in fiscal year 2014-2015 and \$315,000 in fiscal year 2015-2016 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

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

(4) Reallocation of Appropriations Among Budget Units: The Secretary of the Cabinet for Health and Family Services shall operate the Cabinet within the appropriations for the Cabinet authorized in this Act. The Secretary may request a revision or reallocation among the departments and offices of the Cabinet up to ten percent of the General Fund or Restricted Funds appropriations contained in Part I, Operating Budget, of this Act for fiscal years 2014-2015 and 2015-2016 for approval by the State Budget Director. No request shall relate to moneys in a fiduciary fund account. A request shall explain the need and use for the transfer authority under this subsection.

2. COMMISSION FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS

	2014-15	2015-16
General Fund	5,401,500	5,587,200
Restricted Funds	6,970,800	6,970,800
Federal Funds	4,566,100	4,566,100
TOTAL	16,938,400	17,124,100

3. MEDICAID SERVICES

a. Medicaid Administration

	2014-15	2015-16
General Fund	33,314,500	33,398,600
Restricted Funds	16,770,300	17,400,000
Federal Funds	77,311,300	77,709,900
TOTAL	127,396,100	128,508,500

(1) Transfer of Excess Administrative Funds for Medicaid Benefits: If any portion of the above General Fund appropriation in either fiscal year is deemed to be in excess of the necessary expenses for administration of the Department, the amount may be used for Medicaid Benefits in accordance with statutes governing the functions and activities of the Department for Medicaid Services. In no instance shall these excess funds be used without prior written approval of the State Budget Director to:

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

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

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

b. Medicaid Benefits

2013-14	2014-15	2015-16
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General Fund	-0-	1,525,524,400	1,578,193,200
Restricted Funds	55,911,100	500,154,700	466,936,000
Federal Funds	751,450,800	5,914,098,100	6,217,178,100
TOTAL	807,361,900	7,939,777,200	8,262,307,300

(1) **Carry Forward of General Fund Appropriation Balance:** Notwithstanding KRS 45.229, any General Fund appropriation unexpended in fiscal year 2013-2014 and fiscal year 2014-2015 shall not lapse but shall be carried forward into the next fiscal year.

(2) **Disproportionate Share Hospital Program:** Hospitals shall report indigent inpatient and outpatient care for which, under federal law, the hospital is eligible to receive disproportionate share payments. Disproportionate Share Hospital payments shall equal the maximum amounts established by federal law. Notwithstanding KRS 205.641, the disproportionate share factor for hospitals in fiscal years 2014-2015 and 2015-2016 shall be the same disproportionate share factor for the hospitals established as the final fiscal year 2013-2014 disproportionate share factor. In the interim, based upon the Center for Medicare and Medicaid Services' revised rules for the Disproportionate Share Hospital Program, the hospitals shall work with the Cabinet for Health and Family Services to develop or select a method for determining the hospital share factor.

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

(4) **Provider Tax Information:** Any provider who posts a sign or includes information on customer receipts or any material distributed for public consumption indicating that it has paid provider tax shall also post, in the same size typeset as the provider tax information, the amount of payment received from the Department for Medicaid Services during the same period the provider tax was paid. Providers who fail to meet this requirement shall be excluded from the Disproportionate Share Hospital and Medicaid Programs. The Cabinet for Health and Family Services shall include this provision in facilities' annual licensure inspections.

(5) **Intergovernmental Transfers (IGTs):** Any funds received through an Intergovernmental Transfer (IGT) agreement between the Department for Medicaid Services and other governmental entities, in accordance with a federally approved State Plan amendment, shall be used to provide for the health and welfare of the citizens of the Commonwealth through the provision of Medicaid Benefits. Revenues from IGTs are contingent upon agreement by the parties. The Secretary of the Cabinet for Health and Family Services shall make the appropriate interim appropriations increase requests pursuant to KRS 48.630.

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

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

(8) **Transfer of Medicaid Benefits Funds:** Any portion of the General Fund appropriation in either fiscal year that is deemed to be necessary for the administration of the Medicaid program may be transferred from the Medicaid Benefits budget unit to the Medicaid Administration budget unit in accordance with statutes governing the functions and activities of the Department for Medicaid Services. The Secretary shall recommend any proposed transfer to the State Budget Director for approval prior to transfer. Such action shall be reported by the Cabinet for Health and Family Services to the Interim Joint Committee on Appropriations and Revenue.

(9) Critical Access Hospitals: Beginning with the effective date of this Act through June 30, 2016, no acute care hospital shall convert to a critical access hospital unless the hospital has either received funding for a feasibility study from the Kentucky State Office of Rural Health or filed a written request by January 1, 2014, with the Kentucky State Office of Rural Health requesting funding for conducting a feasibility study.

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

(11) KCHIP Premium Suspension: Notwithstanding KRS 205.6485(1)(c), KCHIP premiums are suspended for the 2014-2016 biennium.

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

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

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

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

(a) Supports for Community Living - 200 additional slots in fiscal year 2014-2015 and 240 additional slots in fiscal year 2015-2016 for a total of 440 new slots added over the 2014-2016 fiscal biennium;

(b) Acquired Brain Injury - 90 additional acute care slots and 60 additional long-term care slots for a total of 150 additional slots in fiscal year 2014-2015 and 93 additional acute care slots and 60 additional long-term care slots for a total of 153 additional slots in fiscal year 2015-2016 for a total of 303 new slots added over the 2014-2016 fiscal biennium; and

(c) Michelle P - 250 additional slots in each fiscal year for a total of 500 new slots added over the 2014-2016 fiscal biennium.

(15) Medicaid Pharmacy: Notwithstanding KRS 205.6312(4), a pharmacy provider participating in the Medical Assistance Program or a pharmacy provider serving Kentucky Medicaid recipients through a Medicaid Managed Care Organization shall not be required to serve an eligible recipient if the recipient does not make the required copayment at the time of service. An exception to this provision shall be an encounter when a recipient presents a condition which could result in harm to the recipient if left untreated, in which case the pharmacist shall dispense a 72-hour emergency supply of the required medicine. The recipient may then return to the pharmacy with the necessary copayment to obtain the remainder of the prescription. Only one dispensing fee shall be paid by the Cabinet for the provision of both the emergency supply and the remainder of the prescription. The Medicaid Managed Care Organization shall determine its policies with respect to dispensing fees.

(16) Evaluation of Indigent Care: The Cabinet for Health and Family Services ~~and the University of Louisville~~ shall ~~collaborate to~~ conduct an annual study of the effect of the reduction in contributions to the Quality

and Charity Care Trust on the delivery of indigent care in Jefferson County. The Cabinet for Health and Family Services~~[-and the University of Louisville]~~ shall submit a report containing the results of this study to the Interim Joint Committee on Appropriations and Revenue by June 1 of each fiscal year.

TOTAL - MEDICAID SERVICES

	2013-14	2014-15	2015-16
General Fund	-0-	1,558,838,900	1,611,591,800
Restricted Funds	55,911,100	516,925,000	484,336,000
Federal Funds	751,450,800	5,991,409,400	6,294,888,000
TOTAL	807,361,900	8,067,173,300	8,390,815,800

4. BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL DISABILITIES

	2014-15	2015-16
General Fund (Tobacco)	891,400	891,400
General Fund	202,604,500	194,854,000
Restricted Funds	227,448,600	227,701,500
Federal Funds	38,661,300	36,877,500
TOTAL	469,605,800	460,324,400

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

(2) Lease Payments for Eastern State Hospital: Included in the above General Fund appropriation is \$10,928,800 in fiscal year 2014-2015 and \$10,927,500 in fiscal year 2015-2016 to make lease payments to the Lexington-Fayette Urban County Government to retire its debt for the construction of the new facility.

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

(4) Regional Mental Health/Mental Retardation Boards Retirement Cost Increase: Included in the above General Fund appropriation is a total of \$24,825,700 in each fiscal year for Regional Mental Health/Mental Retardation Boards to assist them with employer contributions for the Kentucky Employees Retirement System. Of that amount, \$19,638,200 is to fully fund the increase in employer contribution rates in both fiscal years for those Regional Mental Health/Mental Retardation Boards that are currently participating in the Kentucky Employees Retirement System. In July and January of each year the Department for Behavioral Health, Intellectual and Developmental Disabilities shall obtain the total creditable compensation reported by each Regional Mental Health/Mental Retardation Board to the Kentucky Retirement System and utilize that number to determine how much of this total appropriation shall be distributed to each Regional Mental Health/Mental Retardation Board. Payments to the Mental Health/Mental Retardation Boards shall be made on September 1 and April 1 of each fiscal year.

5. PUBLIC HEALTH

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

(1) **Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is \$9,000,000 in each fiscal year for the Health Access Nurturing Development Services Program, \$1,000,000 in each fiscal year for Healthy Start initiatives, \$80,000 in each fiscal year for Folic Acid Program, \$1,000,000 in each fiscal year for Early Childhood Mental Health, \$500,000 in each fiscal year for Early Childhood Oral Health, and \$2,486,300 in fiscal year 2014-2015 and \$1,803,800 in fiscal year 2015-2016 for Smoking Cessation.

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

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

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

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

6. HEALTH POLICY

	2014-15	2015-16
General Fund	448,000	455,400
Restricted Funds	809,800	818,300
TOTAL	1,257,800	1,273,700

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

7. FAMILY RESOURCE CENTERS AND VOLUNTEER SERVICES

	2014-15	2015-16
General Fund	1,466,400	1,479,300
Restricted Funds	41,300	-0-
Federal Funds	3,069,100	3,069,100
TOTAL	4,576,800	4,548,400

(1) **Family Resource Centers and Volunteer Services:** Included in the above General Fund appropriation is an additional \$1,000,000 in each fiscal year for operational costs.

8. INCOME SUPPORT

	2014-15	2015-16
General Fund	8,225,700	8,225,700
Restricted Funds	15,980,600	16,130,800
Federal Funds	78,417,200	80,108,900
TOTAL	102,623,500	104,465,400

9. COMMUNITY BASED SERVICES

2014-15	2015-16
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General Fund (Tobacco)	8,715,000	8,715,000
General Fund	391,634,800	414,581,400
Restricted Funds	150,258,000	152,685,700
Federal Funds	492,199,000	502,117,700
TOTAL	1,042,806,800	1,078,099,800

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

(2) **Contracted Entities Retirement Cost Increase:** Included in the above General Fund appropriation is \$532,500 in each fiscal year for domestic violence shelters, \$104,700 in each fiscal year for rape crisis centers, and \$199,700 in each fiscal year for child advocacy centers to fully fund the increase in employer contribution rates for the Kentucky Employees Retirement System.

(3) **Child Care Restoration:** Included in the above General Fund appropriation is \$38,682,500 in fiscal year 2014-2015 and \$58,132,000 in fiscal year 2015-2016 to restore Child Care Assistance Program services.

(4) **Relative Placement Support Benefit:** Included in the above General Fund appropriation is \$1,000,000 in each fiscal year for start-up costs associated with placing children with non-parental relatives.

(5) **Domestic Violence Shelters:** Included in the above General Fund appropriation is \$250,000 in each fiscal year for operational costs.

(6) **Rape Crisis Centers:** Included in the above General Fund appropriation is \$250,000 in each fiscal year for operational costs.

(7) **Private Child Caring Agencies Reimbursement Rates:** Included in the above appropriation is \$3,000,000 in General Fund moneys, \$2,186,700 in Restricted Funds, and \$490,200 in Federal Funds in each fiscal year to increase reimbursement rates to private child caring agencies for residential services provided to children leveled IV and leveled V, beginning July 1, 2014.

(8) **Private Child Placing Agencies Reimbursement Rates:** Included in the above appropriation is \$5,000,000 in General Fund moneys, \$3,644,500 in Restricted Funds, and \$817,000 in Federal Funds in each fiscal year to increase reimbursement rates for private child placing agencies for therapeutic foster care services provided to children in the level of care system to support a reduction of children in residential care and increase community-based treatment in more home-like settings beginning July 1, 2014.

(9) **Family and Children's Place:** Included in the above General Fund appropriation is \$50,000 in each fiscal year to continue current services at Family and Children's Place in Louisville, Kentucky.

(10) **Early Intervention Services:** Included in the above General Fund appropriation is \$100,000 in each fiscal year to the Madison County Fiscal Court for early intervention services.

10. AGING AND INDEPENDENT LIVING

	2014-15	2015-16
General Fund	44,702,900	45,252,100
Restricted Funds	2,869,300	2,489,300
Federal Funds	24,829,300	24,829,300
TOTAL	72,401,500	72,570,700

(1) **Local Match Requirements:** Notwithstanding KRS 205.460, entities contracting with the Cabinet for Health and Family Services to provide essential services under KRS 205.455 and 205.460 shall provide local match equal to or greater than the amount in effect during fiscal year 2013-2014. Local match may include any combination of materials, commodities, transportation, office space, personal services, or other types of facility services or funds. The Secretary of the Cabinet for Health and Family Services shall prescribe the procedures to certify the local match assurance.

11. HEALTH BENEFIT EXCHANGE

2014-15

2015-16

Restricted Funds	14,021,200	23,404,900
Federal Funds	19,916,200	3,483,400
TOTAL	33,937,400	26,888,300

(1) **Kentucky Access Program:** Any trailing claims for the Kentucky Access Program during the 2014-2016 fiscal biennium shall be deemed a necessary governmental expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Account (KRS 48.705), subject to the conditions and procedures provided in this Act.

TOTAL - HEALTH AND FAMILY SERVICES CABINET

	2013-14	2014-15	2015-16
General Fund (Tobacco)	-0-	23,672,700	22,990,200
General Fund	-0-	2,310,593,300	2,382,166,800
Restricted Funds	55,911,100	1,046,206,600	1,028,597,500
Federal Funds	751,450,800	6,903,557,200	7,179,243,100
TOTAL	807,361,900	10,284,029,800	10,612,997,600

H. JUSTICE AND PUBLIC SAFETY CABINET

Budget Units

1. JUSTICE ADMINISTRATION

	2014-15	2015-16
General Fund (Tobacco)	1,700,200	1,241,100
General Fund	11,095,700	11,210,300
Restricted Funds	3,893,500	3,814,600
Federal Funds	11,135,600	11,135,600
TOTAL	27,825,000	27,401,600

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

(2) **Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is \$1,700,200 in fiscal year 2014-2015 and \$1,241,100 in fiscal year 2015-2016 for the Office of Drug Control Policy.

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

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

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

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

2. CRIMINAL JUSTICE TRAINING

	2014-15	2015-16
Restricted Funds	52,052,000	51,900,000
Federal Funds	188,000	140,000
TOTAL	52,240,000	52,040,000

(1) **Kentucky Law Enforcement Foundation Program Fund:** Included in the above Restricted Funds appropriation is \$50,847,900 in fiscal year 2014-2015 and \$50,687,100 in fiscal year 2015-2016 for the Kentucky Law Enforcement Foundation Program Fund.

(2) **Training Incentive Payments:** Notwithstanding KRS 15.460(1), included in the above Restricted Funds appropriation is \$3,100 in each fiscal year for each participant for training incentive payments.

(3) **Training Incentive Stipends Expansion to Other Peace Officers:** Notwithstanding KRS 15.410, 15.420(2), 15.440(1), 15.460(1), and 15.470(2) and (4), included in the above Restricted Funds appropriation is sufficient funding for a \$3,100 annual training incentive stipend and associated fringe benefit costs for Kentucky state troopers, Kentucky State Police arson investigators, Kentucky State Police hazardous device investigators, Kentucky State Police legislative security specialists, and Kentucky vehicle enforcement officers from the Kentucky Law Enforcement Foundation Program Fund.

3. JUVENILE JUSTICE

	2013-14	2014-15	2015-16
General Fund	-0-	81,507,800	83,322,700
Restricted Funds	980,000	10,490,200	10,161,300
Federal Funds	-0-	11,705,800	11,705,800
TOTAL	980,000	103,703,800	105,189,800

(1) **Local Prevention Programs:** Included in the above General Fund appropriation is \$100,000 in each fiscal year for distribution to local juvenile delinquency prevention programs.

(2) **Leasing Authority:** The Department of Juvenile Justice is hereby authorized to lease the former Laurel County Regional Juvenile Detention Center to a qualified provider of mental health services. The leasing process shall be in compliance with all appropriate statutes, administrative regulations, and procurement policies.

4. STATE POLICE

	2013-14	2014-15	2015-16
General Fund	7,225,400	74,315,600	75,788,600
Restricted Funds	-0-	22,704,100	22,766,200
Federal Funds	-0-	11,562,000	11,562,000
Road Fund	-0-	95,745,500	96,845,800
TOTAL	7,225,400	204,327,200	206,962,600

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

(2) **State Police and Vehicle Enforcement Personnel Training Incentive:** Included in the above Restricted Funds appropriation is sufficient funding for a \$3,100 annual training incentive stipend for state troopers, arson investigators, hazardous devices investigators, legislative security specialists, and vehicle enforcement officers from the Kentucky Law Enforcement Foundation Program Fund.

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

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

(5) **Debt Service:** Included in the above General Fund appropriation is \$258,000 in fiscal year 2014-2015 and \$516,000 in fiscal year 2015-2016 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(6) **Trooper R Class Officers:** Included in the above General Fund appropriation is \$884,400 in each fiscal year to support 15 Trooper R Class officers.

5. CORRECTIONS

a. Corrections Management

	2014-15	2015-16
General Fund	9,459,200	9,634,800
Restricted Funds	300,000	300,000
Federal Funds	304,900	75,000
TOTAL	10,064,100	10,009,800

(1) **Appropriations Adjustments:** The General Assembly has determined that the Department of Corrections shall be permitted to adjust appropriations between the Community Services and Local Facilities budget unit and the Adult Correctional Institutions budget unit in each fiscal year. Only adjustments necessary to manage the diverse mix of inmate classifications, custody levels, probation and parole caseloads, and population increases or decreases shall be permitted. Any appropriations transferred or otherwise directed between these appropriation units shall be documented and justified in writing. No adjustments may be made except upon the prior written concurrence of the State Budget Director. The State Budget Director shall report the adjustments and the necessity of the adjustments to the Interim Joint Committee on Appropriations and Revenue.

(2) **Jailer Mental Health Screening Training:** The Kentucky Commission on Services and Supports for Individuals with Mental Illness, Alcohol and Other Drug Abuse Disorders, and Dual Diagnoses shall, in its annual review of the Commission plan, include in its duties recommendations for improvements in identifying, treating, housing, and transporting prisoners in jails and juveniles in detention centers with mental illness. Items to be reviewed shall include but not be limited to recommendations for statutory and regulatory changes, training and treatment funding, cost sharing, housing and transportation costs, appropriate treatment sites, and training requirements for local jailers and other officers of the court who may come in contact with persons incarcerated or in detention but deemed mentally ill.

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

b. Adult Correctional Institutions

	2014-15	2015-16
General Fund	244,855,800	247,866,500
Restricted Funds	17,252,800	17,431,600
Federal Funds	1,805,500	521,500
TOTAL	263,914,100	265,819,600

(1) **Debt Service:** Included in the above General Fund appropriation is \$115,500 in fiscal year 2014-2015 and \$346,500 in fiscal year 2015-2016 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

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

(3) **Expenditure of Savings for Substance Abuse Treatment:** Included in the above General Fund appropriation is \$6,763,400 in each fiscal year for substance abuse programs.

(4) **Canteen Fund Proceeds:** The Department of Corrections shall file annual reports with the Interim Joint Committee on Appropriations and Revenue detailing the revenues and expenditures from the Canteen Fund for each state-operated prison, private prison, and the central office of the Department. The report shall be due September 1 of each year.

c. Community Services and Local Facilities

	2014-15	2015-16
General Fund	193,852,700	198,678,300
Restricted Funds	5,830,000	5,830,000
Federal Funds	962,800	364,600
TOTAL	200,645,500	204,872,900

(1) **Excess Local Jail Per Diem Costs:** In the event that actual local jail per diem payments exceed the amounts provided to support the budgeted average daily population of state felons in county jails for each fiscal year, the payments shall be deemed necessary government expenses and may be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705), subject to notification as to necessity and amount by the State Budget Director who shall report any certified expenditure to the Interim Joint Committee on Appropriations and Revenue.

(2) **Local Jails Funding:** Notwithstanding KRS 441.605 to 441.695, funds in the amount of \$2,800,000 in each fiscal year shall be expended from the Kentucky Local Correctional Facilities Construction Authority for local correctional facility and operational support consistent with contractual covenants in accordance with bond indentures of the Authority.

(3) **Pilot Project - Conditional Parole for Infirm Inmates:** (a) Upon certification by the Commissioner of the Department of Corrections that a prisoner is otherwise eligible for medical parole in accordance with paragraph (b) of this subsection, the Parole Board shall grant medical parole. The Parole Board shall take action within 30 days of receipt of a certification from the Commissioner.

(b) A prisoner who is physically or mentally debilitated, incapacitated, or infirm as a result of advanced age, chronic illness, or disease is eligible for medical parole if:

1. The prisoner was not convicted of a capital offense and sentenced to death or was not convicted of a sex crime;
2. The prisoner has reached his or her parole eligibility date or has served one-half of his or her sentence, whichever occurs first;
3. The prisoner is substantially dependent on others for the activities of daily living; and
4. There is a low risk of the prisoner presenting a threat to society if paroled.

(c) Individuals paroled under this subsection shall be paroled to a health facility in the Commonwealth, giving due regard to public safety.

(d) A parolee granted medical parole under this subsection shall be returned to the custody of the Department of Corrections if the Commissioner determines that the parolee no longer meets the requirements of paragraph (b) of this subsection.

(e) The Commissioner shall provide a report to the Interim Joint Committee on Appropriations and Revenue by January 5, 2016, concerning the pilot project. The report shall include the number of persons paroled, the identification of the residential facilities utilized, an estimate of cost savings as a result of the project, and any other relevant material to assist the General Assembly in assessing the value of continuing and expanding the project.

~~[(f) Any identified savings shall be transferred to the Budget Reserve Trust Fund Account (KRS 48.705).]~~

(g) The Cabinet for Health and Family Services and the Justice and Public Safety Cabinet are directed to provide all needed assistance and support in seeking and securing approval from the U.S. Department of Health and Human Services for the maximum reimbursement of federal assistance, including Medicaid funds, for the provision of health care services to qualifying infirm inmates.

d. Local Jail Support

	2014-15	2015-16
General Fund	18,163,100	18,365,100

(1) **Local Corrections Assistance Fund Allocation:** Moneys in the fund shall be distributed to the counties each year. Amounts distributed from the fund shall be used to support local correctional facilities and programs, including the transportation of prisoners, as follows:

(a) 1. In fiscal year 2014-2015, the first \$2,400,000 received by the fund, or, if the fund receives less than \$2,400,000, the entire balance of the fund, shall be divided equally among all counties; and

2. In fiscal year 2015-2016, the first \$3,000,000 received by the fund, or, if the fund receives less than \$3,000,000, the entire balance of the fund, shall be divided equally among all counties; and

(b) Any moneys remaining after making the distributions required by paragraph (a) of this subsection shall be distributed to each county based on a ratio, the numerator of which shall be the county's county inmate population on the second Thursday in January during the prior fiscal year, and the denominator of which shall be the total counties' county inmate population for the entire state on the second Thursday in January during the prior fiscal year.

(2) Local Corrections Assistance Funds: Pursuant to KRS 196.288, included in the above General Fund appropriation is \$4,715,600 in fiscal year 2014-2015 and \$4,917,600 in fiscal year 2015-2016 for the Local Corrections Assistance Fund.

(3) Life Safety or Closed Jails: Included in the above General Fund appropriation is \$960,000 in each fiscal year to provide a monthly payment of an annual amount of \$20,000 to each county with a life safety jail or closed jail. The payment shall be in addition to the payment required by KRS 441.206(2).

(4) Inmate Medical Care Expenses: Included in the above General Fund appropriation is \$931,100 in each fiscal year for medical care contracts to be distributed, upon approval of the Department of Corrections, to counties by the formula codified in KRS 441.206, and \$960,000 in each fiscal year, on a partial reimbursement basis, for medical claims in excess of the statutory threshold pursuant to KRS 441.045. The funding support for medical contracts and catastrophic medical expenses for indigents shall be maintained in discrete accounts. Any medical claim that exceeds the statutory threshold may be reimbursed for that amount in excess of the statutory threshold.

TOTAL - CORRECTIONS

	2014-15	2015-16
General Fund	466,330,800	474,544,700
Restricted Funds	23,382,800	23,561,600
Federal Funds	3,073,200	961,100
TOTAL	492,786,800	499,067,400

6. PUBLIC ADVOCACY

	2013-14	2014-15	2015-16
General Fund	4,400,000	46,314,300	47,472,900
Restricted Funds	-0-	3,177,600	3,035,900
Federal Funds	-0-	1,320,400	1,320,400
TOTAL	4,400,000	50,812,300	51,829,200

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

(2) Social Worker Program: Included in the above General Fund appropriation is \$420,000 in fiscal year 2014-2015 and \$850,000 in fiscal year 2015-2016 for 15 additional social worker positions.

TOTAL - JUSTICE AND PUBLIC SAFETY CABINET

	2013-14	2014-15	2015-16
General Fund (Tobacco)	-0-	1,700,200	1,241,100
General Fund	11,625,400	679,564,200	692,339,200
Restricted Funds	980,000	115,700,200	115,239,600
Federal Funds	-0-	38,985,000	36,824,900
Road Fund	-0-	95,745,500	96,845,800

TOTAL	12,605,400	931,695,100	942,490,600
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I. LABOR CABINET**Budget Units****1. SECRETARY**

	2014-15	2015-16
Restricted Funds	4,356,400	4,415,000
Federal Funds	184,800	188,600
TOTAL	4,541,200	4,603,600

2. GENERAL ADMINISTRATION AND PROGRAM SUPPORT

	2014-15	2015-16
General Fund	3,312,200	3,358,900
Restricted Funds	3,080,300	3,326,900
Federal Funds	47,500	47,500
TOTAL	6,440,000	6,733,300

3. WORKPLACE STANDARDS

	2014-15	2015-16
General Fund	1,789,300	1,824,500
Restricted Funds	78,995,600	78,671,300
Federal Funds	3,873,300	3,884,100
TOTAL	84,658,200	84,379,900

4. WORKERS' CLAIMS

	2014-15	2015-16
Restricted Funds	21,788,000	18,039,100

5. OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

	2014-15	2015-16
Restricted Funds	757,200	770,900

6. WORKERS' COMPENSATION FUNDING COMMISSION

	2014-15	2015-16
Restricted Funds	116,760,100	112,833,400

TOTAL - LABOR CABINET

	2014-15	2015-16
General Fund	5,101,500	5,183,400
Restricted Funds	225,737,600	218,056,600
Federal Funds	4,105,600	4,120,200
TOTAL	234,944,700	227,360,200

J. PERSONNEL CABINET**Budget Units****1. GENERAL OPERATIONS**

	2014-15	2015-16
Restricted Funds	27,764,400	28,028,200

(1) **Pro Rata Assessment:** Included in the above Restricted Funds appropriation is \$2,692,400 in fiscal year 2014-2015 and \$2,688,900 in fiscal year 2015-2016 to be transferred to the General Fund to support debt service on bonds previously issued for the Kentucky Human Resources Information System. The Personnel Cabinet shall collect a pro rata assessment from all state agencies, in all three branches of government, and other organizations that are supported by the System. Those collections shall be deposited and retained into a Restricted Funds account within the Personnel Cabinet.

(2) **Kentucky Employees' Health Plan and Medicaid State Plan Cost Savings Demonstration Projects:** The Personnel Cabinet and the Cabinet for Health and Family Services shall implement the Kentucky Employees' Health Plan Program and Kentucky Medicaid State Plan Program cost savings projects~~[-centered on process improvement and patient empowerment with door to door engagement via use of interactive technology to capture the potential for improved medical outcomes at reduced cost. The demonstration project shall include established patients who have, within 24 months of the telehealth services, visited established providers and maintained a clinical relationship with a qualified health professional licensed in Kentucky through an in-office and in-person evaluation, including a medical history and a physical examination. These cost reduction projects shall not increase premiums nor reduce benefits].~~

The Personnel Cabinet and the Cabinet for Health and Family Services are authorized to expend up to \$400,000 from the State Group Health Trust and State Medicaid Administration appropriation to support~~[-two]~~ demonstration projects for both areas. The initial capital outlay may be recouped from cost savings to the State Group Health Trust and State Medicaid Administration Program. The demonstration projects shall be a proof of concept to confirm the ability to capture~~[-an]~~ annualized savings~~[-of up to ten percent]~~ in the Kentucky Employees' Health Plan Program and~~[-an]~~ annualized savings~~[-of up to five percent]~~ in the Kentucky Medicaid State Plan Program~~[-starting from January 1, 2015].~~

~~The Personnel Cabinet and the Cabinet for Health and Family Services shall enter into an agreement with one or both of the university teaching hospitals in the Commonwealth to leverage the substantial return on investment of the demonstration projects. The demonstration projects shall be implemented as provided in this Act pursuant to the contracts utilized for the purpose of administering the Kentucky Employees' Health Plan Program and the Kentucky Medicaid State Plan Program. For purposes of the demonstration projects, the participating contractor to be given the first option from the Kentucky Medicaid State Plan Program shall be one that services the largest contingent of recipients in the program and one that services a rural area that has an underserved population that has already demonstrated concept of cost savings through interactive technology.~~

~~The demonstration projects shall be awarded no later than December 1, 2014, and shall be based on a competitive bid via a formal Request for Information (RFI) process]. The demonstration projects should be completed and a report regarding the proof of concept shall be submitted to the Program Review and Investigations Committee, the Personnel Cabinet, and the Cabinet for Health and Family Services by December 1, 2015.~~

~~[If the proof of concept demonstrates an annual savings, the Personnel Cabinet and the Cabinet for Health and Family Services shall implement the final project on a larger scale.]-If implemented, the large scale project shall be awarded via a formal Request for Proposal (RFP) process[-to capture the mandated annualized savings of up to ten percent] in the Kentucky Employees' Health Plan Program and[-an annualized savings of up to five percent] in the Kentucky Medicaid State Plan Program.[-The cost of implementing a large scale project shall be paid via a shared savings model wherein the contractor shall be compensated by a percentage of the savings captured by the projects.]~~

2. PUBLIC EMPLOYEES DEFERRED COMPENSATION AUTHORITY

	2014-15	2015-16
Restricted Funds	9,112,100	9,161,500

3. WORKERS' COMPENSATION BENEFITS AND RESERVE

	2014-15	2015-16
Restricted Funds	25,637,200	26,651,400

4. STATE GROUP HEALTH INSURANCE FUND

	2014-15	2015-16
General Fund	959,600	959,600

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

TOTAL - PERSONNEL CABINET

	2014-15	2015-16
General Fund	959,600	959,600
Restricted Funds	62,513,700	63,841,100
TOTAL	63,473,300	64,800,700

K. POSTSECONDARY EDUCATION

Budget Units

1. COUNCIL ON POSTSECONDARY EDUCATION

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

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

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

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

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

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

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

(6) **Washington D.C. Internship Program:** Included in the above General Fund appropriation are funds in each fiscal year for scholarships to the Washington Center for Internships and Academic Seminars. ~~[-The amount appropriated in fiscal year 2014-2015 and fiscal year 2015-2016 shall not be reduced greater than five percent from the fiscal year 2013-2014 appropriated amount of \$76,100.]~~

(7) **Adult Education:** Included in the above General Fund appropriation are funds in each fiscal year for the Kentucky Adult Education Funding Program. ~~[-The amount appropriated in fiscal year 2014-2015 and fiscal year~~

~~2015-2016 shall not be reduced greater than five percent from the fiscal year 2013-2014 appropriated amount of \$19,548,600.]~~

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

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

(10) **Optometry Slots:** If General Fund appropriations are not sufficient to fully fund 44 optometry slots, the Council on Postsecondary Education shall fully fund the 44 slots out of the Council's base budget. The Council on Postsecondary Education shall conduct a study on the effect that the licensure and accreditation of any school of optometry within the Commonwealth would have on the Contract Spaces Program. The Council on Postsecondary Education shall submit a report containing the results of this study to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Education by December 1, 2015.

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

2. KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

	2013-14	2014-15	2015-16
General Fund (Tobacco)	-0-	1,100,000	1,100,000
General Fund	1,800,000	201,841,200	205,302,000
Restricted Funds	-0-	28,395,400	28,456,900
Federal Funds	-0-	59,300	59,300
TOTAL	1,800,000	231,395,900	234,918,200

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

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

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

(4) **Kentucky National Guard Tuition Assistance Program:** Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$4,898,100 in each fiscal year for the National Guard Tuition Assistance Program.

(5) **Kentucky Education Excellence Scholarships (KEES):** Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$101,032,800 in fiscal year 2014-2015 and \$104,493,600 in fiscal year 2015-2016 for the Kentucky Educational Excellence Scholarships (KEES). Included in the above Restricted Funds appropriation is \$8,603,600 in fiscal year 2014-2015 and \$8,600,000 in fiscal year 2015-2016 for KEES.

(6) **Kentucky Coal County College Completion Scholarships:** Notwithstanding KRS 42.4588, \$2,000,000 in each fiscal year shall be transferred from the Local Government Economic Development Fund, Multi-County Fund, to the Coal County College Completion Scholarship Program within the Kentucky Higher Education Assistance Authority.

(7) **Pharmacy Scholarship Program:** Included in the above General Fund appropriation is \$800,000 in each fiscal year for the coal county scholarship program for pharmacy students. Notwithstanding KRS 164.7890(11)(c), scholarship awards shall not exceed appropriated amounts.

(8) **Work Study:** Included in the above General Fund appropriation is \$400,000 in each fiscal year for the Work Study Program.

(9) **Excess Lottery Revenues:** Lottery revenues transferred to the Kentucky Higher Education Assistance Authority in excess of the sum of the General Fund amounts set forth in subsections (1), (2), (3), (4), and (5) of this section shall be allocated in accordance with KRS 154A.130(4)(b). If the amount allocated to the KEES program exceeds the amount needed to fully fund KEES at the statutory individual award amounts, all excess funds shall be transferred to the KEES Reserve Trust Fund.

3. EASTERN KENTUCKY UNIVERSITY

	2014-15	2015-16
General Fund	68,033,800	68,033,800
Restricted Funds	180,928,200	185,699,400
Federal Funds	94,840,200	99,582,200
TOTAL	343,802,200	353,315,400

(1) Community Operations Board: The Community Operations Board was established in 2006 by the Kentucky General Assembly pursuant to House Bill 380 to create a collaboration between Eastern Kentucky University, Madison County, and the cities of Richmond and Berea, and the General Assembly has renewed the funding and authority of the Community Operations Board in each biennial budget thereafter. Included in the above General Fund appropriation is \$200,000 in each fiscal year to provide funds to the Community Operations Board for personnel and programmatic operations of the meeting, community areas, and the performing arts center located in the Business/Technology Center, Phase II facilities. The Business/Technology Center, Phase II facilities shall be governed by the Community Operations Board. Members of the Board shall serve without compensation and shall not be reimbursed for expenses incurred in performance of their duties. The Board shall establish policies and procedures for Board operation and for facility use. The Board shall make all decisions regarding use of the Business/Technology Center, Phase II facilities, including the meeting, community areas, and the performing arts center and shall make all decisions regarding personnel and programmatic operations of the meeting, community areas, and the performing arts center. The Board is attached to Eastern Kentucky University for administrative purposes, and the University shall provide all facility maintenance and operations costs.

4. KENTUCKY STATE UNIVERSITY

	2014-15	2015-16
General Fund	23,429,600	23,429,600
Restricted Funds	33,476,500	34,145,400
Federal Funds	19,844,700	19,844,700
TOTAL	76,750,800	77,419,700

5. MOREHEAD STATE UNIVERSITY

	2014-15	2015-16
General Fund	41,039,500	43,339,500
Restricted Funds	108,154,500	113,707,200
Federal Funds	95,821,100	96,805,700
TOTAL	245,015,100	253,852,400

(1) Dual Credit Program: Included in the above General Fund appropriation is \$2,300,000 in fiscal year 2015-2016 for a Dual Credit Program.

6. MURRAY STATE UNIVERSITY

	2014-15	2015-16
General Fund	48,025,100	48,025,100
Restricted Funds	113,365,200	119,130,100
Federal Funds	18,755,500	18,755,500
TOTAL	180,145,800	185,910,700

(1) Breathitt Veterinary Center: Included in the above General Fund appropriation is \$366,900 in each fiscal year for the Breathitt Veterinary Center at Murray State University. The funds provided in this subsection are in addition to existing appropriations for the center contained in Murray State University's General Fund-supported

operating budget. Notwithstanding KRS 48.130 and 48.600 and Part VI of this Act, the appropriation set forth in this subsection shall not be reduced.

7. NORTHERN KENTUCKY UNIVERSITY

	2014-15	2015-16
General Fund	48,537,600	48,537,600
Restricted Funds	194,333,800	203,785,400
Federal Funds	15,171,600	15,171,600
TOTAL	258,043,000	267,494,600

8. UNIVERSITY OF KENTUCKY

	2014-15	2015-16
General Fund	279,611,300	279,611,300
Restricted Funds	2,309,116,700	2,404,130,300
Federal Funds	217,443,000	229,710,400
TOTAL	2,806,171,000	2,913,452,000

(1) **Mining Engineering Scholarship Program:** Notwithstanding KRS 42.4592, included in the above General Fund appropriation is \$300,000 in each fiscal year from the Local Government Economic Development Fund for mining engineering scholarships.

(2) **Robinson Scholars Program:** Notwithstanding KRS 42.4592, included in the above General Fund appropriation is \$1,000,000 in each fiscal year from the Local Government Economic Development Fund for the Robinson Scholars Program.

(3) **University of Kentucky Diagnostic Laboratories:** Included in the above General Fund appropriation is \$366,900 in each fiscal year for the diagnostic laboratories at the University of Kentucky. The funds provided in this subsection are in addition to existing appropriations for the laboratories contained in the University of Kentucky's General Fund-supported operating budget. Notwithstanding KRS 48.130 and 48.600 and Part VI of this Act, the appropriation set forth in this subsection shall not be reduced.

9. UNIVERSITY OF LOUISVILLE

	2014-15	2015-16
General Fund	139,076,900	140,416,300
Restricted Funds	990,331,600	1,012,352,500
Federal Funds	97,877,000	96,632,000
TOTAL	1,227,285,500	1,249,400,800

(1) **Debt Service:** Included in the above General Fund appropriation is \$1,339,400 in fiscal year 2015-2016 for previously issued bonds.

(2) **Quality and Charity Care Trust Fund:** The University of Louisville shall submit written documentation to the Secretary of the Finance and Administration Cabinet demonstrating financial need for reimbursement related to providing hospital care services to indigent and medically needy patients through the Quality and Charity Care Trust. Upon certification of such need by the Secretary of the Finance and Administration Cabinet, reimbursement not to exceed \$6,000,000 in fiscal year 2014-2015 and \$4,000,000 in fiscal year 2015-2016 shall be deemed a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures in this Act. The Louisville Metro Government shall contribute \$5,000,000 in fiscal year 2014-2015 and \$3,000,000 in fiscal year 2015-2016 to the Quality and Charity Care Trust.

(3) **Evaluation of Indigent Care:** The Cabinet for Health and Family Services~~[-and the University of Louisville]~~ shall~~[-collaborate to]~~ conduct an annual study of the effect of the reduction in contributions to the Quality and Charity Care Trust on the delivery of indigent care in Jefferson County. The Cabinet for Health and Family Services~~[-and the University of Louisville]~~ shall submit a report containing the results of this study to the Interim Joint Committee on Appropriations and Revenue by June 1 of each fiscal year.

10. WESTERN KENTUCKY UNIVERSITY

	2014-15	2015-16
General Fund	72,649,400	74,649,400
Restricted Funds	282,396,800	287,859,800
Federal Funds	44,599,000	44,599,000
TOTAL	399,645,200	407,108,200

11. KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

	2014-15	2015-16
General Fund	190,162,300	190,162,300
Restricted Funds	478,250,500	505,909,500
Federal Funds	284,664,600	298,927,800
TOTAL	953,077,400	994,999,600

(1) Firefighters Foundation Program Fund: Included in the above Restricted Funds appropriation is \$40,164,500 in fiscal year 2014-2015 and \$40,751,100 in fiscal year 2015-2016 for the Firefighters Foundation Program Fund. Notwithstanding KRS 95A.250(1), supplemental payments for each qualified professional firefighter under the Firefighters Foundation Program Fund shall be \$3,100 in each fiscal year.

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

(3) Conveyance of Property: (a) Notwithstanding KRS 45.777 and 164A.575(7), the Kentucky Community and Technical College System may convey to Northern Kentucky University fee simple title to certain of its real property and improvements located in Campbell County that have become surplus to Gateway Community and Technical College with the creation of the new Boone Campus of Gateway Community and Technical College. The conveyance shall be completed at a price that is acceptable to both parties. Gateway Community and Technical College shall use the proceeds from the conveyance of the real property to support a capital project for Gateway Community and Technical College.

(b) Notwithstanding KRS 45.777 and 164A.575(7), the Kentucky Community and Technical College System may dispose of certain real property and improvements located in Covington, Kentucky that will become surplus to Gateway Community and Technical College with the completion of the Urban Campus in downtown Covington. Gateway Community and Technical College shall use the proceeds from the disposition of the real property to support a capital project for Gateway Community and Technical College in the city limits of Covington, Kentucky.

(c) Notwithstanding KRS 45.777 and 164A.575(7), the Kentucky Community and Technical College System may dispose of certain real property and improvements located in Ashland, Kentucky at the Roberts Drive Campus. Ashland Community and Technical College shall use all the proceeds from the disposition of the real property to support a capital project for Ashland Community and Technical College.

(d) Notwithstanding KRS 45.777 and 164A.575(7), the Kentucky Community and Technical College System may dispose of certain real property and improvements located in Ashland, Kentucky at the East Park Industrial Park. Ashland Community and Technical College shall use all the proceeds from the disposition of the real property to support a capital project for Ashland Community and Technical College.

(e) Notwithstanding KRS 45.777 and 164A.575(7), the Kentucky Community and Technical College System may dispose of certain real property and improvements located in Morehead, Kentucky at the Rowan Campus. Maysville Community and Technical College shall use all the proceeds from the disposition of the real property to support a capital project for Maysville Community and Technical College.

(4) Salary Increases: It is the intent of the 2014 General Assembly that employees of the Kentucky Community and Technical College System (KCTCS) who are in the University of Kentucky personnel system shall be treated the same, with respect to compensation plans and salary increases implemented by KCTCS, as all other employees of KCTCS. Specifically, KCTCS shall not utilize the practice of providing lower salary increases to KCTCS employees who are in the University of Kentucky personnel system in order to offset money paid to the University of Kentucky for the cost of providing health insurance to these employees.

KCTCS shall make no distinction in compensation plans or salary increases among its employees based upon the personnel system to which they belong, except that KCTCS may make up the lower salary increases given in the past to those employees of KCTCS in the University of Kentucky personnel system which were based upon reimbursing the University of Kentucky for the cost of providing health insurance.

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

(6) Tuition and Fees: Notwithstanding KRS 164.020(8), the Kentucky Community and Technical College System may establish and implement a mandatory student fee, on a college-by-college basis, not to exceed eight dollars per credit hour to be used exclusively for debt service on amounts not to exceed 75 percent of the total project cost of Kentucky Community and Technical College System agency bond projects included in Part II, J., 11. of this Act. For any fee established pursuant to this section, not more than 50 percent of the total fee amount may be assessed in fiscal year 2014-2015. Notwithstanding KRS 164.350, 164.5807, and 164.600, the mandatory student fee may only be established and implemented for each college upon the affirmative recommendation of each college's Board of Directors, and the Kentucky Community and Technical College System Board of Regents shall conform to any such recommendation. The mandatory student fee, if recommended by a college's Board of Directors and established and implemented pursuant to such recommendation, shall only be used for debt service on agency bond projects for the college recommending the fee. Any fee established pursuant to this section shall cease to be assessed upon the retirement of the project bonds for which it serviced debt. Prior to the issuance of any bonds, the Kentucky Community and Technical College System shall certify in writing to the Secretary of the Finance and Administration Cabinet that sufficient funds have been raised to meet the local match equivalent to 25 percent of the total project cost.

(7) Housing Allowance for the President: Beginning January 1, 2015, no housing allowance shall be provided for the President of the Kentucky Community and Technical College System.

TOTAL - POSTSECONDARY EDUCATION

	2013-14	2014-15	2015-16
General Fund (Tobacco)	-0-	6,072,500	4,707,500
General Fund	1,800,000	1,157,896,600	1,192,911,900
Restricted Funds	293,800	4,724,771,600	4,901,204,100
Federal Funds	-0-	907,149,800	938,190,700
TOTAL	2,093,800	6,795,890,500	7,037,014,200

L. PUBLIC PROTECTION CABINET

Budget Units

1. SECRETARY

	2014-15	2015-16
General Fund	277,900	283,100
Restricted Funds	5,830,500	5,930,800
TOTAL	6,108,400	6,213,900

2. BOXING AND WRESTLING AUTHORITY

	2014-15	2015-16
Restricted Funds	167,100	169,100

3. ALCOHOLIC BEVERAGE CONTROL

	2014-15	2015-16
General Fund	607,800	618,100
Restricted Funds	5,820,500	5,770,400
TOTAL	6,428,300	6,388,500

4. CHARITABLE GAMING

	2014-15	2015-16
Restricted Funds	3,474,000	3,489,300

5. BOARD OF CLAIMS/CRIME VICTIMS' COMPENSATION BOARD

	2014-15	2015-16
General Fund	696,400	708,900
Restricted Funds	1,027,300	1,041,700
Federal Funds	450,000	400,000
TOTAL	2,173,700	2,150,600

6. FINANCIAL INSTITUTIONS

	2014-15	2015-16
Restricted Funds	10,612,100	10,984,400

7. HORSE RACING COMMISSION

	2014-15	2015-16
General Fund	698,700	2,738,600
Restricted Funds	28,357,200	26,478,500
TOTAL	29,055,900	29,217,100

(1) Kentucky Thoroughbred Development Fund: Notwithstanding KRS 138.510 and 230.265(3), funds in the amount of \$1,000,000 in fiscal year 2013-2014 shall be transferred from the Kentucky Equine Drug Research Council to the Kentucky Thoroughbred Development Fund for purposes specified in KRS 230.400.

8. HOUSING, BUILDINGS AND CONSTRUCTION

	2014-15	2015-16
General Fund	2,455,300	2,501,500
Restricted Funds	18,124,100	18,478,200
TOTAL	20,579,400	20,979,700

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

9. INSURANCE

	2014-15	2015-16
Restricted Funds	17,604,500	17,759,800
Federal Funds	1,065,700	1,098,700
TOTAL	18,670,200	18,858,500

10. TAX APPEALS

	2014-15	2015-16
General Fund	464,300	471,800

TOTAL - PUBLIC PROTECTION CABINET

2014-15	2015-16
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General Fund	5,200,400	7,322,000
Restricted Funds	91,017,300	90,102,200
Federal Funds	1,515,700	1,498,700
TOTAL	97,733,400	98,922,900

M. TOURISM, ARTS AND HERITAGE CABINET

Budget Units

1. SECRETARY

	2014-15	2015-16
General Fund	2,544,100	2,598,300
Restricted Funds	12,910,000	10,086,500
TOTAL	15,454,100	12,684,800

(1) **Tourism Grants:** Included in the above Restricted Funds appropriation is \$405,000 in each fiscal year for the purpose of supporting the following grants: The National Quilt Museum of Paducah, \$36,000 in each fiscal year; Stephen Foster, \$81,000 in each fiscal year; Pioneer School of Drama, \$28,500 in each fiscal year; Pine Knob Theater, \$29,500 in each fiscal year; Kincaid Regional Theater, \$27,500 in each fiscal year; Twilight Cabaret, \$9,000 in each fiscal year; Jenny Wiley, \$39,500 in each fiscal year; Morehead Tourism Commission Outdoor Theater, \$19,500 in each fiscal year; Fort Harrod Drama Productions, \$41,000 in each fiscal year; Greenbo Lake State Resort Park, \$10,000 in each fiscal year; Russell County Ruscotown Players Production, \$25,000 in each fiscal year; Kentucky Shakespeare Festival, \$19,500 in each fiscal year; Plaza Theater in Glasgow, \$19,500 in each fiscal year; and Kentucky Conservatory Theater, \$19,500 in each fiscal year. If the agency finds that a grant recipient no longer exists, the appropriation for that grant shall lapse to the credit of the Tourism, Meeting, and Convention Marketing Fund established under KRS 142.406.

(2) **Statewide Marketing Plan:** The Tourism, Arts and Heritage Cabinet shall develop a statewide marketing plan for the Tourism, Meeting, and Convention Marketing Fund. The plan shall detail the projected uses of revenues from the transient room tax and develop strategies for maximizing the effectiveness of statewide marketing efforts supported by this tax. The Cabinet shall present this plan to the Interim Joint Committee on Appropriations and Revenue by October 1, 2014.

2. ARTISANS CENTER

	2014-15	2015-16
General Fund	389,200	406,300
Restricted Funds	1,583,400	1,583,400
Road Fund	393,400	410,500
TOTAL	2,366,000	2,400,200

3. TRAVEL

	2014-15	2015-16
General Fund	3,094,400	3,152,400
Restricted Funds	45,000	41,100
TOTAL	3,139,400	3,193,500

(1) **Bluegrass State Games:** Included in the above General Fund appropriation is \$50,000 in each fiscal year for the Bluegrass State Games.

4. PARKS

	2013-14	2014-15	2015-16
General Fund	8,216,900	33,572,800	34,429,000
Restricted Funds	-0-	49,301,900	49,298,100

TOTAL	8,216,900	82,874,700	83,727,100
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(1) **Park Capital Maintenance and Renovation Fund:** Notwithstanding KRS 148.810, no transfer to the Park Capital Maintenance and Renovation Fund shall be made.

(2) **Debt Service:** Included in the above General Fund appropriation is \$375,500 in fiscal year 2014-2015 and \$917,500 in fiscal year 2015-2016 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

5. HORSE PARK COMMISSION

	2014-15	2015-16
General Fund	2,471,800	2,510,800
Restricted Funds	10,518,800	10,592,600
TOTAL	12,990,600	13,103,400

6. STATE FAIR BOARD

	2013-14	2014-15	2015-16
General Fund	10,500,000	3,897,100	4,196,400
Restricted Funds	-0-	42,715,200	46,189,600
TOTAL	10,500,000	46,612,300	50,386,000

(1) **Debt Service-General Fund:** Included in the above General Fund appropriation is \$189,000 in fiscal year 2014-2015 and \$2,459,500 in fiscal year 2015-2016 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(2) **Property Sale Proceeds:** Notwithstanding KRS 45.777, the proceeds from any sale of real property assigned to the State Fair Board, not to exceed \$7,400,000, shall be transferred to the Finance and Administration Cabinet to offset debt service paid by the Cabinet on behalf of the State Fair Board. Any proceeds in excess of \$7,400,000 shall be deposited in a Restricted Funds account for the benefit of the State Fair Board.

7. FISH AND WILDLIFE RESOURCES

	2014-15	2015-16
Restricted Funds	34,724,200	33,800,600
Federal Funds	17,895,000	16,371,300
TOTAL	52,619,200	50,171,900

(1) **Fish and Wildlife Resources Peace Officers' Stipend:** Included in the above Restricted Funds appropriation is sufficient funding for a \$3,100 annual training incentive stipend for Fish and Wildlife Resources Conservation officers from the Fish and Game Fund, to be effective July 1, 2014.

8. HISTORICAL SOCIETY

	2014-15	2015-16
General Fund	5,784,800	6,007,400
Restricted Funds	457,800	457,800
Federal Funds	537,100	363,700
TOTAL	6,779,700	6,828,900

(1) **Debt Service:** Included in the above General Fund appropriation is \$134,000 in fiscal year 2015-2016 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(2) **Oral History Grants:** Included in the above General Fund appropriation is \$50,000 in each fiscal year for Oral History grants.

9. ARTS COUNCIL

	2014-15	2015-16
General Fund	3,017,300	2,796,200
Restricted Funds	151,600	151,600
Federal Funds	759,800	759,800
TOTAL	3,928,700	3,707,600

(1) **Open Meetings:** Any entity involved in producing or financing arts on a local or statewide basis, since the inception of fiscal year 2004-2005, which received a total of \$25,000 or less as a result of appropriations or grants from state or local governmental units, shall be exempt from the requirements of KRS 61.800 to 61.850.

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

(3) **Marshall County Arts Commission Children's Theatre:** Included in the above General Fund appropriation is \$250,000 in fiscal year 2014-2015 for the Marshall County Arts Commission Children's Theatre.

10. HERITAGE COUNCIL

	2014-15	2015-16
General Fund	736,900	747,300
Restricted Funds	262,100	265,300
Federal Funds	814,500	825,200
TOTAL	1,813,500	1,837,800

11. KENTUCKY CENTER FOR THE ARTS

	2014-15	2015-16
General Fund	1,031,200	1,123,700

(1) **Debt Service:** Included in the above General Fund appropriation is \$92,500 in fiscal year 2014-2015 and \$185,000 in fiscal year 2015-2016 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

TOTAL - TOURISM, ARTS AND HERITAGE CABINET

	2013-14	2014-15	2015-16
General Fund	18,716,900	56,539,600	57,967,800
Restricted Funds	-0-	152,670,000	152,466,600
Federal Funds	-0-	20,006,400	18,320,000
Road Fund	-0-	393,400	410,500
TOTAL	18,716,900	229,609,400	229,164,900

PART II

CAPITAL PROJECTS BUDGET

(1) **Capital Construction Fund Appropriations and Reauthorizations:** Moneys in the Capital Construction Fund are appropriated for the following capital projects subject to the conditions and procedures in this Act. Items listed without appropriated amounts are previously authorized for which no additional amount is required. These items are listed in order to continue their current authorization into the 2014-2016 fiscal biennium. Unless otherwise specified, reauthorized projects shall conform to the original authorization enacted by the General Assembly.

(2) **Expiration of Existing Line-Item Capital Construction Projects:** All appropriations to existing line-item capital construction projects expire on June 30, 2014, unless reauthorized in this Act with the following exceptions: (a) A construction or purchase contract for the project shall have been awarded by June 30, 2014; (b) Permanent financing or a short-term line of credit sufficient to cover the total authorized project scope shall have been obtained in the case of projects authorized for bonds, if the authorized project completes an initial draw on the

line of credit within the fiscal biennium immediately subsequent to the original authorization; and (c) Grant or loan agreements, if applicable, shall have been finalized and properly signed by all necessary parties by June 30, 2014. Notwithstanding the criteria set forth in this subsection, the disposition of 2012-2014 fiscal biennium nonstatutory appropriated maintenance pools funded from Capital Construction Investment Income shall remain subject to the provisions of KRS 45.770(5)(c).

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

(4) Appropriations for Projects Not Line-Itemized: Inasmuch as the identification of specific projects in a variety of areas of the state government cannot be ascertained with absolute certainty at this time, amounts are appropriated for specific purposes to projects which are not individually identified in this Act in the following areas: Kentucky Infrastructure Authority Water and Sewer Grant Projects, and Broadband Grant Projects; Repair of State-Owned Dams; Land Acquisition; Property Demolition; Guaranteed Energy Savings Performance Contract projects; Wetland and Stream Mitigation; Economic Development projects, which shall include authorization for the High-Tech Construction Pool and the High-Tech Investment Pool; Infrastructure projects; Heritage Land Conservation projects; Flood Control projects; Parks Development Pool; Bond-funded maintenance pools; Postsecondary Education Institutions Capital Renewal, Life Safety, and Code Compliance pools and Major Items of Equipment pools; the Postsecondary Education Institutions Technology and Equipment Pool; the Postsecondary Education Institutions Research Support - Lab Renovation and Equipment Pools; Construct Student Housing at the University of Kentucky; and Commonwealth Office of Technology Infrastructure Upgrades. Any projects estimated to cost over \$600,000 and equipment estimated to cost over \$200,000 shall be reported to the Capital Projects and Bond Oversight Committee.

(5) Bond Issues for Tobacco and Non-Coal Producing Counties: Any authorized bond project from the Infrastructure for Economic Development Fund for Tobacco Counties, Water and Sewer Resource Development Fund for Tobacco Counties, and Infrastructure for Economic Development Fund for Non-Coal Producing Counties may be financed from any associated bond issue for the Infrastructure for Economic Development Fund for Tobacco Counties, Water and Sewer Resource Development Fund for Tobacco Counties, and Infrastructure for Economic Development Fund for Non-Coal Producing Counties.

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

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

(8) Expiring Debt: The following amounts of previously appropriated bond funds shall expire upon passage of this Act: Infrastructure for Economic Development Fund for Coal-Producing Counties (\$10,000,000) as set forth in 2006 Ky. Acts ch. 252, Part II, Section N., 1., a., Whitley County, 004.; and Energy Projects Economic Development Bond Pool (\$95,000,000) as set forth in 2007 (2nd Extra. Sess.) Ky. Acts ch. 1, Section 60.

A. GENERAL GOVERNMENT

Budget Units	2014-15	2015-16
1. DEPARTMENT OF VETERANS' AFFAIRS		
001. Construct Fourth State Veterans' Nursing Home – Additional		
Bond Funds	2,000,000	-0-
002. Maintenance Pool – 2014-2016		
Investment Income	315,000	315,000
003. Construct State Veterans' Cemetery – Southeast Kentucky (Leslie County) Reauthorization (\$200,000 General Fund, \$6,000,000 Federal		

Funds)

2. KENTUCKY INFRASTRUCTURE AUTHORITY

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

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

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

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

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

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

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

Elevated Storage Tank Project (WX21113016) Reauthorization and
Reallocation (\$440,000 Bond Funds)

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

004. Harlan County Fiscal Court - Black Mountain Utility District -
Greenhill Water Line Rehabilitation Project Reauthorization and
Reallocation (\$325,000 Restricted Funds)

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

005. Greenup County Fiscal Court - Water Lines Reauthorization and
Reallocation (\$25,000 Bond Funds)

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

006. Greenup County Fiscal Court - Water and Sewer Reauthorization and
Reallocation (\$20,000 Bond Funds)

(1) **Reauthorization and Reallocation:** The above project is authorized from a reallocation of the Greenup County Fiscal Court - Water and Sewer Improvements project as set forth in 2005 Ky. Acts ch. 170, Volume Ia, Part II, Infrastructure for Economic Development Fund for Coal Producing Counties, Greenup.

007. City of Wurtland - Sewer Expansion Project Reauthorization and

Reallocation (\$100,996 Bond Funds)

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

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

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

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

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

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

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

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

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

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

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

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

(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the Monroe-Tompkinsville Regional Water Treatment Plant - Monroe - Tompkinsville Regional Water Treatment Plant

(WX21171027) project as set forth in 2008 Ky. Acts ch. 191, Section 2, Monroe County, 004. and in 2009 Ky. Acts ch. 50, Section 2, Monroe County, 004.

014. Monroe County Water District - Monroe County - City of Edmonton
Interconnect (WX21171044) Reauthorization and Reallocation
(\$99,000 Bond Funds)

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

015. Monroe County Water District - Treatment Plant Upgrade Phase 2
(WX21171045) Reauthorization and Reallocation (\$78,266 Bond
Funds)

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

016. City of Tompkinsville - Beldon Water Tank Rehab (WX21171020)
Reauthorization and Reallocation (\$100,000 Bond Funds)

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

017. Monroe County Water District - Treatment Plant Upgrade Phase 2
(WX21171045) Reauthorization and Reallocation (\$320,096 Bond
Funds)

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

018. City of Campbellsville - Wastewater Treatment Plant Improvements
(SX21217001) Reauthorization and Reallocation (\$267,100 Bond
Funds)

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

3. MILITARY AFFAIRS

001. Construct Joint Forces Readiness Center Phase I – Frankfort –
Additional Reauthorization (\$9,500,000 Federal Funds)

Federal Funds	13,500,000	-0-
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002. Construct Building 102 – Bluegrass Station

Other Funds	12,500,000	-0-
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(1) Authorization: The above authorization is approved pursuant to KRS 45.763.

003. Construct Building 222 – Bluegrass Station

Other Funds	10,970,000	-0-
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(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
004. Convert Existing Army Aviation Support Facility to Combined Support Maintenance Shop Facility – Frankfort		
Federal Funds	9,500,000	-0-
005. Construct Building 196 – Bluegrass Station		
Other Funds	8,000,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
006. Construct Building 223 – Bluegrass Station		
Other Funds	7,000,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
007. Construct Qualification Training Range – WHFRTC		
Federal Funds	6,515,000	-0-
008. Construct Building 198 – Bluegrass Station		
Other Funds	5,850,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
009. Construct Building 197 – Bluegrass Station		
Other Funds	5,750,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
010. Maintenance Pool – 2014-2016		
Bond Funds	1,000,000	1,000,000
011. Renovation of Butler Building Property Phase 2 – Louisville		
Restricted Funds	2,000,000	-0-
012. Upgrade of Security Infrastructure – Bluegrass Station		
Restricted Funds	1,500,000	-0-
013. Construct New Access Road – Bluegrass Station		
Restricted Funds	1,000,000	-0-
014. Construct Replacement Human Resources Office Building – Frankfort – Additional Reauthorization (\$275,000 Restricted Funds, \$825,000 Federal Funds)		
Restricted Funds	250,000	-0-
Federal Funds	750,000	-0-
TOTAL	1,000,000	-0-
015. Demolish Obsolete Structures – Bluegrass Station		
Restricted Funds	1,000,000	-0-
016. Construct Chemical Enhanced Response Force Package Building Phase II – Frankfort		
Federal Funds	950,000	-0-
017. Demolition of Combined Support Maintenance Shop – Frankfort		

	Federal Funds	825,000	-0-
	018. Construct Pole Barns at Bluegrass Station Reauthorization (\$2,200,000 Restricted Funds)		
	019. Renovate Butler Reserve Center – Louisville Reauthorization (\$5,000,000 Restricted Funds)		
4.	ATTORNEY GENERAL		
	001. Franklin County – Lease		
5.	UNIFIED PROSECUTORIAL SYSTEM		
	a. Commonwealth's Attorneys		
	001. Jefferson County – Lease		
6.	TREASURY		
	001. Lease-Purchase Check Printers and Fold Sealers		
	Investment Income	163,000	163,000
7.	AGRICULTURE		
	001. Franklin County – Lease		
	002. Jefferson County – Lease		
8.	OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS		
	a. Nursing		
	001. Jefferson County – Lease		
9.	KENTUCKY RIVER AUTHORITY		
	001. Design Dam 10		
	Restricted Funds	2,200,000	-0-
10.	SCHOOL FACILITIES CONSTRUCTION COMMISSION		
	001. Offers of Assistance – 2012-2014		
	Bond Funds	100,000,000	-0-
	002. School Facilities Construction Commission Reauthorization (\$126,295,000 Bond Funds)		

B. ECONOMIC DEVELOPMENT CABINET

(1) Economic Development Bond Issues: Before any economic development bonds are issued, the proposed bond issue shall be approved by the Secretary of the Finance and Administration Cabinet and the State Property and Buildings Commission under KRS 56.440 to 56.590. In addition to the terms and conditions of KRS 154.12-100, administration of the Economic Development Bond Program by the Secretary of the Cabinet for Economic Development is subject to the following guideline: project selection shall be documented when presented to the Secretary of the Finance and Administration Cabinet. Included in the documentation shall be the rationale for selection and expected economic development impact.

(2) Use of New Economy Funds: Notwithstanding 2010 (1st Extra. Sess.) Ky. Acts ch. 1, Part II, B., the \$5,000,000 in the High-Tech Construction and High-Tech Investment Pool is available for projects and loans approved by the Kentucky Economic Development Finance Authority under the terms and conditions of its existing loan programs as well as for projects in the High-Tech Construction Pool and the High-Tech Investment Pool in KRS 154.12-278.

(3) Use of New Economy Funds, Economic Development Bond Funds, and Kentucky Economic Development Finance Authority Loan Pool: Notwithstanding KRS 154.12-100, 154.12-278(4) and (5), and 154.20-035, the Secretary of the Cabinet for Economic Development may use funds appropriated in the Economic

Development Bond Program, High-Tech Construction/Investment Pool, and the Kentucky Economic Development Finance Authority Loan Pool interchangeably for economic development projects.

Budget Units	2014-15	2015-16
1. ECONOMIC DEVELOPMENT		
001. Economic Development Bond Program – 2014-2016		
Bond Funds	-0-	7,000,000
002. High-Tech Construction/Investment Pool – 2014-2016		
Bond Funds	-0-	7,000,000
003. Kentucky Economic Development Finance Authority Loan Pool – 2014-2016		
Bond Funds	-0-	7,000,000

C. DEPARTMENT OF EDUCATION

Budget Units	2014-15	2015-16
1. OPERATIONS AND SUPPORT SERVICES		
001. Maintenance Pool – 2014-2016		
Bond Funds	675,000	675,000

D. EDUCATION AND WORKFORCE DEVELOPMENT CABINET

Budget Units	2014-15	2015-16
1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT		
001. Maintenance Pool – 2014-2016		
Investment Income	400,000	400,000
2. KENTUCKY EDUCATIONAL TELEVISION		
001. Maintenance Pool – 2014-2016		
Investment Income	300,000	300,000
002. Digital Conversion/Phase 3		
General Fund	2,000,000	-0-
3. LIBRARIES AND ARCHIVES		
a. GENERAL OPERATIONS		
001. Franklin County – Lease		
4. EMPLOYMENT AND TRAINING		
001. Hardin County – Lease		
002. Kenton County – Lease		
5. VOCATIONAL REHABILITATION		
001. Fayette County – Lease		
6. EDUCATION PROFESSIONAL STANDARDS BOARD		
001. Educator Preparation System		
Restricted Funds	1,270,000	-0-

E. ENERGY AND ENVIRONMENT CABINET

Budget Units	2014-15	2015-16
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1. SECRETARY**001. Kentucky Heritage Land Conservation Fund – 2014-2016**

Federal Funds	5,000,000	5,000,000
Restricted Funds	5,000,000	5,000,000
TOTAL	10,000,000	10,000,000

002. Maintenance Pool – 2014-2016

Investment Income	200,000	200,000
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2. ENVIRONMENTAL PROTECTION**001. TEMPO System Upgrade**

Capital Construction Surplus	735,000	-0-
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002. State-Owned Dam Repair – 2014-2016

Bond Funds	-0-	600,000
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003. Franklin County – Lease – 200 Fair Oaks**004. Franklin County – Lease – 300 Fair Oaks****3. NATURAL RESOURCES****001. Franklin County – Lease****F. FINANCE AND ADMINISTRATION CABINET**

Budget Units	2014-15	2015-16
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1. GENERAL ADMINISTRATION**001. Next Generation Kentucky Information Highway**

Federal Funds	20,000,000	-0-
Bond Funds	30,000,000	-0-
Other Funds	20,000,000	-0-
TOTAL	70,000,000	-0-

002. Business One-Stop Portal – Phase II

General Fund	2,600,000	-0-
Bond Funds	-0-	4,143,000
TOTAL	2,600,000	4,143,000

003. High Speed Inserters

Restricted Funds	1,050,000	-0-
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2. FACILITIES AND SUPPORT SERVICES**001. Maintenance Pool – 2014-2016**

Bond Funds	3,000,000	3,000,000
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002. Upgrade State Data Center Readiness

Bond Funds	2,000,000	-0-
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003. Install Energy Management System Controls

Bond Funds	1,500,000	-0-
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004. Guaranteed Energy Savings Performance Contracts**005. Lease-Purchase State Office Building - Franklin County**

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

3. COMMONWEALTH OFFICE OF TECHNOLOGY

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

001. Infrastructure Upgrades – 2014-2016

Restricted Funds	7,500,000	7,500,000
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002. Security Software

Restricted Funds	2,700,000	-0-
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003. Security Desk System

Restricted Funds	1,200,000	-0-
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004. Boone County – Lease

005. Franklin County – Lease

4. REVENUE

001. Property Tax Systems Upgrade

Restricted Funds	2,500,000	-0-
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002. Modernized Front End Scanner Replacement

Restricted Funds	1,500,000	-0-
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5. KENTUCKY LOTTERY CORPORATION

001. Data Processing, Telecommunications and Related Equipment

Restricted Funds	3,000,000	3,000,000
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002. iSeries System Upgrades

Restricted Funds	700,000	700,000
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G. HEALTH AND FAMILY SERVICES CABINET

Budget Units	2014-15	2015-16
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1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT

001. Maintenance Pool – 2014-2016

Bond Funds	2,500,000	2,500,000
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2. COMMISSION FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS

001. Jefferson County – Lease

3. BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL DISABILITIES

001. Oakwood Specialty Clinic – Additional

General Fund	326,000	-0-
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002. Franklin County – Lease

4. PUBLIC HEALTH

001. Radiation Monitoring Equipment

Bond Funds	2,486,000	-0-
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002. Laboratory Newborn Screening Equipment

Restricted Funds	1,040,000	-0-
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003. Franklin County – Lease**5. INCOME SUPPORT****001. Franklin County – Lease****002. Jefferson County – Lease****6. COMMUNITY BASED SERVICES****001. Boone County – Lease****002. Boyd County – Lease****003. Campbell County – Lease****004. Daviess County – Lease****005. Fayette County – Lease****006. Fayette County – Lease – Centre Parkway****007. Hardin County – Lease****008. Johnson County – Lease****009. Kenton County – Lease****010. Scott County – Lease****011. Shelby County – Lease****012. Warren County – Lease****7. HEALTH BENEFIT EXCHANGE****001. Franklin County – Lease****H. JUSTICE AND PUBLIC SAFETY CABINET**

Budget Units	2014-15	2015-16
1. CRIMINAL JUSTICE TRAINING		
001. Records and Registration Information System Replacement		
Restricted Funds	400,000	-0-
2. JUVENILE JUSTICE		
001. Maintenance Pool – 2014-2016		
Investment Income	500,000	500,000
3. STATE POLICE		
001. Replace/Upgrade Mobile Data Computers		
Bond Funds	2,000,000	-0-
002. Purchase Gas Chromatography/MassSpectrometers		
Bond Funds	1,000,000	-0-
003. Maintenance Pool – 2014-2016		
Investment Income	400,000	400,000
4. CORRECTIONS		
a. Corrections Management		
001. Upgrade Kentucky Offender Management System		

Capital Construction Surplus	1,000,000	-0-
b. Adult Correctional Institutions		
001. Maintenance Pool – 2014-2016		
Bond Funds	2,750,000	2,750,000
5. PUBLIC ADVOCACY		
001. Fayette County – Lease		
002. Franklin County – Lease		

I. LABOR CABINET

Budget Units	2014-15	2015-16
1. SECRETARY		
001. Online Filing System		
Restricted Funds	4,226,000	-0-
002. Franklin County – Lease		
2. WORKERS' CLAIMS		
001. Franklin County – Lease		

J. POSTSECONDARY EDUCATION

(1) **Agency Bond-Funded Projects for Public Postsecondary Institutions:** The governing board of a public postsecondary institution shall certify in writing prior to issuance of Agency Bonds as set forth in Part II, Capital Projects Budget, of this Act that the project: (a) Will generate sufficient funds to retire the bonded indebtedness and pay for ongoing operating expenses; or (b) Will not result in an increase in tuition. The governing board shall submit a copy of the certification to the President of the Council on Postsecondary Education, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee.

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

(3) **Operations and Maintenance Funding:** It is the intent of the 2014 General Assembly that public postsecondary institutions should not base any decision to proceed with any capital project authorized in Part II, Capital Projects Budget, of this Act, that is funded from Agency Bonds, Restricted Funds, or Other Funds on an expectation of receiving General Fund moneys for the operations and maintenance of that facility in future bienniums.

Budget Units	2014-15	2015-16
1. COUNCIL ON POSTSECONDARY EDUCATION		
001. Franklin County – Lease		
2. KENTUCKY HIGHER EDUCATION STUDENT LOAN CORPORATION		
001. Jefferson County – Lease		
3. EASTERN KENTUCKY UNIVERSITY		
001. Construct Science Building – Phase 2 and 3		
Restricted Funds	25,000,000	-0-
Bond Funds	66,340,000	-0-
TOTAL	91,340,000	-0-
002. Renovate/Improve Athletics Facilities		
Agency Bonds	15,000,000	-0-

003. Expand, Upgrade Campus Data Network		
Restricted Funds	7,212,000	6,000,000
004. Construct Regional Health Facility		
Federal Funds	12,500,000	-0-
005. Construct Bio-Fuels Research Facility		
Federal Funds	12,240,000	-0-
006. ECU-UK Dairy Research Project (Meadowbrook Farm)		
Restricted Funds	10,360,000	-0-
007. Miscellaneous Maintenance Pool – 2014-2016		
Restricted Funds	5,000,000	5,000,000
008. Renovate HVAC Systems		
Restricted Funds	10,000,000	-0-
009. Construct Student Athlete Support Facility		
Restricted Funds	7,823,000	-0-
010. Purchase Networked Education System Component		
Restricted Funds	3,450,000	3,500,000
011. Renovate HVAC Systems – Additional		
Restricted Funds	5,500,000	-0-
012. Purchase Minor Projects Equipment		
Restricted Funds	5,000,000	-0-
013. Upgrade Academic Computing		
Restricted Funds	2,500,000	2,500,000
014. Construct Addition to Ashland Building		
Restricted Funds	3,400,000	-0-
015. Construct ECU Early Childhood Center		
Restricted Funds	3,350,000	-0-
016. Expand Indoor Tennis Facility		
Other Funds	3,225,000	-0-
017. Upgrade Administrative Computing System		
Restricted Funds	1,650,000	1,500,000
018. Purchase of Adjacent Property		
Restricted Funds	3,000,000	-0-
019. Renovate Property		
Other Funds	3,000,000	-0-
020. Renovate Student Health Center		
Restricted Funds	2,705,000	-0-
021. Commonwealth Hall Partial Repurposing and Renovation		
Restricted Funds	2,500,000	-0-
022. Renovate Alumni Coliseum and Weaver Pools		

Restricted Funds	2,500,000	-0-
023. Renovate Baseball Complex		
Other Funds	-0-	2,200,000
024. Construct Aviation Instruction Facility		
Restricted Funds	-0-	2,000,000
025. Martin Hall Repurposing and Partial Renovation		
Restricted Funds	2,000,000	-0-
026. Purchase Video Board and Sound System for Alumni Coliseum		
Restricted Funds	750,000	-0-
Other Funds	750,000	-0-
TOTAL	1,500,000	-0-
027. Renovate Women's Softball Complex		
Other Funds	1,500,000	-0-
028. Renovate Lancaster Center Building		
Other Funds	1,472,000	-0-
029. Renovate Begley Building Concrete		
Restricted Funds	1,250,000	-0-
030. Install Lights for Baseball, Softball, and Soccer		
Other Funds	1,224,000	-0-
031. Construct Pedestrian Bridge		
Restricted Funds	600,000	-0-
Other Funds	600,000	-0-
TOTAL	1,200,000	-0-
032. Renovate Blanton House		
Restricted Funds	1,100,000	-0-
033. Renovate Ambulance Building		
Restricted Funds	980,000	-0-
034. Construct E&G Life Safety Begley Elevator		
Restricted Funds	765,000	-0-
035. Madison County – Student Housing – Lease		
036. Construct College of Education Complex (Model Laboratory School)		
Restricted Funds	83,455,000	-0-
037. Construct University Activity Center, Phase II		
Restricted Funds	31,900,000	-0-
038. Construct New Student Housing		
Other Funds	75,000,000	-0-

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

(2) **Financial Obligations:** All costs associated with the financing of this project shall be at the offeror's risk.

039. Renovate Residence Hall		
Restricted Funds	12,500,000	-0-
040. Renovate Whalen Complex		
Restricted Funds	22,837,000	-0-
041. Construct University Information Technology Center		
Restricted Funds	41,397,000	-0-
4. KENTUCKY STATE UNIVERSITY		
001. Renovate Atwood Agricultural Research Building		
Federal Funds	12,368,000	-0-
002. Replace Boilers and Aging Distribution Lines		
Bond Funds	10,400,000	-0-
003. Construct Aquaculture Academic Research Facility		
Federal Funds	7,443,000	-0-
004. Upgrade Information Technology Infrastructure		
Restricted Funds	6,261,000	-0-
005. Renovate Jackson Hall – Phase II		
Restricted Funds	5,628,000	-0-
006. Construct Athletic Sports Complex		
Agency Bonds	5,487,000	-0-
007. Renovate Computer Lab in Hill Student Center		
Restricted Funds	5,389,000	-0-
008. Expand Emergency Notification System		
Restricted Funds	4,580,000	-0-
009. Roof Repair and Replacement Pool – 2014-2016		
Restricted Funds	3,375,000	-0-
010. Acquire Land/Campus Master Plan – 2014-2016		
Restricted Funds	1,000,000	-0-
Federal Funds	1,000,000	-0-
TOTAL	2,000,000	-0-
011. Athletics Project Pool – 2014-2016		
Restricted Funds	1,702,000	-0-
012. Capital Renewal and Maintenance Projects Pool – 2014-2016		
Restricted Funds	1,460,000	-0-
013. Life Safety Upgrade Pool – 2014-2016		
Restricted Funds	1,363,000	-0-
014. Replace Alumni House		
Restricted Funds	1,241,000	-0-
015. Upgrade Computers Campus Wide		
Restricted Funds	1,208,000	-0-

016. Create Pedestrian Mall Hathaway Hall – Hume Hall		
Restricted Funds	1,125,000	-0-
017. Develop Bicycle/Pedestrian Trail		
Restricted Funds	1,025,000	-0-
018. Improve Campus Landscape and Signage		
Restricted Funds	906,000	-0-
019. Construct New Residence Hall Reauthorization (\$52,762,000 Other Funds)		
020. Guaranteed Energy Savings Performance Contracts		
5. MOREHEAD STATE UNIVERSITY		
001. Renovate/Expand Student Services Facility		
Bond Funds	49,679,000	-0-
002. Construct Student Residential Facilities		
Agency Bonds	30,735,000	-0-
003. Construct Food Service/Retail and Parking Structure		
Other Funds	2,000,000	-0-
004. Construct Veterinary Technology Clinical Sciences Center		
Restricted Funds	11,522,000	-0-
005. Construct University Welcome Center/Alumni House		
Restricted Funds	3,711,000	-0-
Other Funds	6,000,000	-0-
TOTAL	9,711,000	-0-
006. Capital Renewal and Maintenance Pool – E&G		
Restricted Funds	6,259,000	-0-
007. Enhance Network/Infrastructure Resources		
Restricted Funds	5,945,000	-0-
008. Upgrade Instructional PCs/LANS/Peripherals		
Restricted Funds	5,000,000	-0-
009. Acquire Land Related to Master Plan		
Restricted Funds	4,000,000	-0-
010. Upgrade Administrative Office Systems		
Restricted Funds	4,000,000	-0-
011. Comply with ADA – E&G		
Restricted Funds	3,877,000	-0-
012. Renovate McClure Pool		
Restricted Funds	2,600,000	-0-
013. Upgrade Campus Fire and Security Systems		
Restricted Funds	3,000,000	-0-

014. Construct Honors College Facility		
Restricted Funds	2,884,000	-0-
015. Reconstruct Central Campus		
Restricted Funds	2,810,000	-0-
016. Capital Renewal and Maintenance Pool – Auxiliary		
Restricted Funds	2,668,000	-0-
017. Replace Electrical Switchgear		
Restricted Funds	2,660,000	-0-
018. Purchase Instructional Technology Initiatives		
Restricted Funds	2,484,000	-0-
019. Design Library Facility		
Restricted Funds	1,640,000	-0-
020. Design Music Academic and Performance Arts Building		
Restricted Funds	1,622,000	-0-
021. Construct Classroom/Lab Building at Browning Orchard		
Restricted Funds	1,597,000	-0-
022. Water Plant Sediment Basin		
Restricted Funds	1,500,000	-0-
023. Upgrade and Expand Distance Learning		
Restricted Funds	1,398,000	-0-
024. Enhance Library Automation Resources		
Restricted Funds	1,264,000	-0-
025. Capital Renewal and Maintenance Pool – University Farm		
Restricted Funds	1,209,000	-0-
026. Purchase Equipment for Biochemistry Lab		
Restricted Funds	450,000	-0-
027. Guaranteed Energy Savings Performance Contracts		
028. Renovate Combs Classroom Building		
Restricted Funds	37,048,000	-0-
029. Construct Athletic Administration and Sports Performance Building		
Restricted Funds	24,582,000	-0-
030. Renovate Button Auditorium		
Restricted Funds	13,158,000	-0-
6. MURRAY STATE UNIVERSITY		
001. Construct/Complete New Science Complex – Final Phase		
Restricted Funds	5,000,000	-0-
Bond Funds	31,890,000	-0-
TOTAL	36,890,000	-0-
002. Construct New Breathitt Veterinary Center		

Bond Funds	32,468,000	-0-
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(1) **Authorization:** Unexpended funds authorized in 2012 Ky. Acts ch. 144, Part II, J., 6., 030 may also be used for this project.

003. Replace Franklin Hall

Agency Bonds	28,953,000	-0-
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004. Renovate White Hall

Restricted Funds	11,906,000	-0-
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005. Renovate Pogue Library

Restricted Funds	9,040,000	-0-
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006. Renovate Exposition Center

Restricted Funds	8,922,000	-0-
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007. Complete Capital Renewal – H&D Pool < \$600,000

Restricted Funds	6,734,000	-0-
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008. Extend Energy Management System

Restricted Funds	6,677,000	-0-
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009. Complete ADA Compliance – E&G Pool <\$600,000

Restricted Funds	6,035,000	-0-
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010. Replace Campus Steam Distribution System

Restricted Funds	5,968,000	-0-
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011. Upgrade Campus Phone and Data Network

Restricted Funds	4,485,000	-0-
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012. College of Science Instructional/Research Equipment

Restricted Funds	3,500,000	-0-
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013. Complete Life Safety Projects – E&G Pool <\$600,000

Restricted Funds	2,219,000	-0-
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014. Construct Livestock Instructional Laboratory

Restricted Funds	2,145,000	-0-
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015. Campus Desktop Virtualization

Restricted Funds	1,898,000	-0-
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016. Demolish Woods Hall

Restricted Funds	1,748,000	-0-
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017. Renovate White Hall HVAC System

Restricted Funds	1,576,000	-0-
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018. Replace Stewart Stadium Playing Surfaces

Restricted Funds	1,402,000	-0-
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019. Renovate Paducah Crisp Center

Restricted Funds	1,300,000	-0-
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020. Upgrade Applied Science Electrical System

Restricted Funds	1,285,000	-0-
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021. Student Desktop Virtualization		
Restricted Funds	1,265,000	-0-
022. Install Sprinkler System – Blackburn Science Building		
Restricted Funds	1,264,000	-0-
023. Renovate Pogue Library Electric and HVAC		
Restricted Funds	1,229,000	-0-
024. ITV Upgrades to Murray State University System		
Restricted Funds	1,223,000	-0-
025. Construct Open-Sided Stall Barn at Expo Center		
Restricted Funds	1,203,000	-0-
026. Construct Addition to Winslow Cafeteria		
Restricted Funds	1,200,000	-0-
027. Renovate White Hall Interior		
Restricted Funds	1,184,000	-0-
028. Renovate Regents Hall Electrical System		
Restricted Funds	1,143,000	-0-
029. Renovate Hart Hall Electrical System		
Restricted Funds	1,017,000	-0-
030. Renovate White Hall Electrical System		
Restricted Funds	1,015,000	-0-
031. Acquire Land		
Restricted Funds	1,000,000	-0-
032. Replace E&G Chiller/CFC Compliance		
Restricted Funds	965,000	-0-
033. Waterproof Stewart Stadium		
Restricted Funds	882,000	-0-
034. Replace Exposition Center Roof		
Restricted Funds	867,000	-0-
035. Campus Backbone 10 GigE Upgrade		
Restricted Funds	853,000	-0-
036. Replace White Hall Domestic Water Piping		
Restricted Funds	845,000	-0-
037. Agriculture Instructional Laboratory and Technology Equipment		
Restricted Funds	800,000	-0-
038. Complete ADA Compliance – H&D Pool <\$600,000		
Restricted Funds	659,000	-0-
039. Information Technology Infrastructure for TSM and IET		
Restricted Funds	625,000	-0-
040. Renovate Buildings – H&D Pool <\$600,000		

Restricted Funds	595,000	-0-
041. Abate Asbestos – E&G Pool <\$600,000		
Restricted Funds	397,000	-0-
042. Broadcasting Education Laboratory Equipment		
Restricted Funds	225,000	-0-
043. Abate Asbestos – H&D Pool <\$600,000		
Restricted Funds	177,000	-0-
044. Upgrade Campus Electrical Distribution System		
Restricted Funds	13,038,000	-0-
045. Renovate Blackburn Hall		
Restricted Funds	34,952,000	-0-
046. Construct New University Library		
Restricted Funds	69,725,000	-0-
047. Capital Renewal Projects Pool		
Restricted Funds	18,406,000	-0-
048. Renovate Lovett Auditorium (Historic Building)		
Restricted Funds	25,069,000	-0-
049. Replace Campus Communications Infrastructure Components		
Restricted Funds	3,300,000	-0-
050. Renovate and Expand Waterfield Library		
Restricted Funds	19,000,000	-0-
7. NORTHERN KENTUCKY UNIVERSITY		
001. Renovate Old Science/Construct Health Innovation		
Bond Funds	97,000,000	-0-
002. Develop Town/Gown Project		
Other Funds	86,500,000	-0-
003. Expand University Drive Parking Garage		
Agency Bonds	15,000,000	-0-
004. Construct Alumni Center		
Other Funds	10,500,000	-0-
005. Construct Athletics Practice Facility		
Other Funds	10,500,000	-0-
006. Renew E&G Buildings Systems Projects Pool		
Restricted Funds	7,000,000	-0-
007. Repair Structural Heaving Landrum and Fine Arts		
Restricted Funds	6,400,000	-0-
008. Renovate Gateway/Highland Heights Campus		
Restricted Funds	6,000,000	-0-

009. Renovate/Expand Baseball Field

Other Funds	4,600,000	-0-
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(1) **Authorization:** The above authorization is approved pursuant to KRS 45.763.

010. Relocate High Voltage Utilities

Restricted Funds	4,500,000	-0-
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011. Renovate Brown Building

Restricted Funds	3,000,000	-0-
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Other Funds	1,500,000	-0-
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TOTAL	4,500,000	-0-
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012. Upgrade Communication and Network Infrastructure

Restricted Funds	4,300,000	-0-
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013. Renovate Civic Center Building

Restricted Funds	3,700,000	-0-
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014. Initiate Phase II of Master Plan

Restricted Funds	3,500,000	-0-
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015. Renovate Early Childcare Center

Restricted Funds	3,500,000	-0-
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016. Renovate Residence Halls – 2014-2016

Restricted Funds	2,500,000	-0-
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Other Funds	1,000,000	-0-
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TOTAL	3,500,000	-0-
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017. Acquire Land/Master Plan – 2014-2016

Restricted Funds	3,000,000	-0-
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018. Enhance Administrative Systems

Restricted Funds	2,500,000	-0-
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019. Enhance Instructional Technology

Restricted Funds	2,500,000	-0-
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020. Replace Underground Gas Mains

Restricted Funds	2,500,000	-0-
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021. Construct Center for Applied Ecology Building

Restricted Funds	1,000,000	-0-
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Other Funds	1,000,000	-0-
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TOTAL	2,000,000	-0-
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022. Renew E&G Elevators – 2014-2016

Restricted Funds	1,400,000	-0-
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023. Construct Indoor Track/Multipurpose Facility

Other Funds	12,000,000	-0-
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024. Replace Callahan Roof

Restricted Funds	1,200,000	-0-
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025. Customer Relationship Management System		
Restricted Funds	750,000	-0-
026. Purchase Coach Bus		
Restricted Funds	690,000	-0-
027. Purchase Large Format Color Press		
Restricted Funds	375,000	-0-
028. Campbell County – Gateway Building – Lease		
029. Kenton County - METS Lease		
030. Guaranteed Energy Savings Performance Contracts		
031. Construct Satellite Parking Lot		
Restricted Funds	4,200,000	-0-
8. UNIVERSITY OF KENTUCKY		
001. Construct Student Housing		
Other Funds	202,000,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
002. Renovate/Expand University Student Center		
Restricted Funds	10,000,000	-0-
Agency Bonds	160,000,000	-0-
Other Funds	5,000,000	-0-
TOTAL	175,000,000	-0-
003. Renovate/Upgrade HealthCare Facilities		
Agency Bonds	150,000,000	-0-
004. Expand/Renovate/Upgrade Law Building		
Bond Funds	35,000,000	-0-
Agency Bonds	30,000,000	-0-
TOTAL	65,000,000	-0-
005. Acquire Land		
Restricted Funds	50,000,000	-0-
006. Upgrade Dining Facilities		
Other Funds	50,000,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
007. Renovate/Upgrade Academic Learning Center		
Restricted Funds	45,000,000	-0-
008. Capital Renewal Maintenance Pool		
Restricted Funds	119,000,000	-0-
009. Repair, Upgrade, or Improve Electrical Infrastructure		
Restricted Funds	28,000,000	-0-
010. Repair, Upgrade, or Improve Mechanical Infrastructure		

Restricted Funds	26,000,000	-0-
011. Acquire/Renovate Academic Facilities		
Restricted Funds	25,000,000	-0-
012. Fit-up Academic Science Building		
Restricted Funds	30,000,000	-0-
013. Renovate Campus Core Quadrangle Facilities		
Restricted Funds	30,000,000	-0-
014. Renovate/Upgrade Academic Space		
Restricted Funds	25,000,000	-0-
015. Repair Emergency Infrastructure/Building Systems		
Restricted Funds	25,000,000	-0-
016. Repair, Upgrade, or Improve Building Mechanical Systems		
Restricted Funds	25,000,000	-0-
017. Repair, Upgrade, or Improve Civil Site Infrastructure		
Restricted Funds	25,000,000	-0-
018. Upgrade/Fit-up Hospital Facilities		
Restricted Funds	35,000,000	-0-
019. Upgrade, Improve, and Expand Recreational Fields		
Restricted Funds	25,000,000	-0-
020. Upgrade, Renovate, Improve, or Expand Research Labs		
Restricted Funds	33,500,000	-0-
021. Construct Good Samaritan Medical Office Building – UK HealthCare		
Restricted Funds	23,700,000	-0-
022. Expand/Renovate Kastle Hall		
Restricted Funds	22,327,000	-0-
023. Purchase/Upgrade Pollution Controls		
Restricted Funds	22,000,000	-0-
024. Construct, Expand, and Renovate Ambulatory Care Facility – UK HealthCare		
Restricted Funds	20,000,000	-0-
025. Expand/Upgrade Coldstream Research Campus		
Restricted Funds	20,000,000	-0-
026. Implement Land Use Plan – UK HealthCare		
Restricted Funds	20,000,000	-0-
027. Repair, Upgrade, or Improve Building Systems – UK HealthCare		
Restricted Funds	20,000,000	-0-
028. Upgrade Enterprise Information Systems		
Restricted Funds	20,000,000	-0-
029. Upgrade Enterprise Information Systems – UK HealthCare		

Restricted Funds	20,000,000	-0-
030. Upgrade/Expand Cancer Treatment Facility – UK HealthCare		
Restricted Funds	20,000,000	-0-
031. Upgrade Student Center Infrastructure		
Restricted Funds	18,968,000	-0-
032. Renovate/Upgrade Pence Hall		
Restricted Funds	18,870,000	-0-
033. Renovate/Expand Johnson Center		
Restricted Funds	16,550,000	-0-
034. Renovate/Upgrade Academic Facility		
Restricted Funds	16,000,000	-0-
035. Construct Library Depository Facility		
Restricted Funds	15,000,000	-0-
036. Improve Life Safety Project Pool		
Restricted Funds	15,000,000	-0-
037. Renovate Singletary		
Restricted Funds	15,000,000	-0-
038. Renovate/Expand Clinical Services – UK HealthCare		
Restricted Funds	15,000,000	-0-
039. Renovate Alumni Gym and/or North Recreation Center		
Restricted Funds	14,500,000	-0-
040. Acquire Office-Campus Office Building		
Other Funds	10,000,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
041. Fit-up Academic/Administrative Space		
Restricted Funds	10,000,000	-0-
042. Implement Medication Bar Coding System – UK HealthCare		
Restricted Funds	10,000,000	-0-
043. Implement Patient Communication System – UK HealthCare		
Restricted Funds	10,000,000	-0-
044. Acquire and Implement Enterprise Security System – UK HealthCare		
Restricted Funds	10,000,000	-0-
045. Acquire Telemedicine/Virtual ICU		
Restricted Funds	10,000,000	-0-
046. Acquire/Upgrade UK HealthCare IT Systems		
Restricted Funds	10,000,000	-0-
047. Purchase Clinical Information System		
Restricted Funds	10,000,000	-0-

048.	Purchase Digital Medical Record Expansion		
	Restricted Funds	10,000,000	-0-
049.	Purchase Document Scanning System		
	Restricted Funds	10,000,000	-0-
050.	Purchase Document Scanning System – UK HealthCare		
	Restricted Funds	10,000,000	-0-
051.	Renovate Academic/Administrative Space 1		
	Restricted Funds	10,000,000	-0-
052.	Renovate Academic/Administrative Space 2		
	Restricted Funds	10,000,000	-0-
053.	Renovate Taylor Education Building		
	Restricted Funds	10,000,000	-0-
054.	Renovate/Upgrade Hospital Facilities – Good Samaritan		
	Restricted Funds	10,000,000	-0-
055.	Expand/Renovate West Kentucky and Robinson Station		
	Restricted Funds	9,835,000	-0-
056.	Construct Equine Campus – Phase 2		
	Restricted Funds	9,500,000	-0-
057.	Upgrade Vivarium Facilities		
	Restricted Funds	9,000,000	-0-
058.	Relocate/Replace Greenhouses		
	Restricted Funds	8,425,000	-0-
059.	Expand Boone Tennis Center		
	Restricted Funds	8,000,000	-0-
060.	Upgrade/Renovate Clean Room Space – Coldstream		
	Restricted Funds	8,000,000	-0-
061.	Acquire High Performance Research Computer		
	Restricted Funds	6,500,000	-0-
062.	Upgrade Clinic Enterprise Network – UK HealthCare		
	Restricted Funds	6,500,000	-0-
063.	Construct Housing 1		
	Restricted Funds	6,000,000	-0-
064.	Construct Housing 2		
	Restricted Funds	6,000,000	-0-
065.	Construct Housing 3		
	Restricted Funds	6,000,000	-0-
066.	Construct University Storage Building		
	Restricted Funds	6,000,000	-0-
067.	Renovate Nursing Units – UK HealthCare		

Restricted Funds	6,000,000	-0-
068. Renovate/Upgrade Memorial Coliseum		
Restricted Funds	6,000,000	-0-
069. Acquire Large Scale Computing		
Restricted Funds	5,500,000	-0-
070. Expand KGS Well Sample and Core Repository		
Restricted Funds	5,280,000	-0-
071. Construct Transit Center		
Restricted Funds	5,000,000	-0-
072. Handicapped Access Pool		
Restricted Funds	5,000,000	-0-
073. Implement Real Time Locator System – UK HealthCare		
Restricted Funds	5,000,000	-0-
074. Acquire Personal Electronic Health Records		
Restricted Funds	5,000,000	-0-
075. Purchase Oncology Information System – UK HealthCare		
Restricted Funds	5,000,000	-0-
076. Purchase/Expand PACS System		
Restricted Funds	5,000,000	-0-
077. Acquire Data Repository System		
Restricted Funds	5,000,000	-0-
078. Renovate Academic/Administrative Space 3		
Restricted Funds	5,000,000	-0-
079. Renovate Academic/Administrative Space 4		
Restricted Funds	5,000,000	-0-
080. Renovate Central Computing Facility		
Restricted Funds	5,000,000	-0-
081. Renovate Chemistry/Physics Building		
Restricted Funds	5,000,000	-0-
082. Renovate Erickson Hall		
Restricted Funds	5,000,000	-0-
083. Renovate Fine Arts		
Restricted Funds	5,000,000	-0-
084. Renovate King Library		
Restricted Funds	5,000,000	-0-
085. Renovate Memorial Hall		
Restricted Funds	5,000,000	-0-
086. Repair, Upgrade, and Improve Building Electrical Systems		

Restricted Funds	5,000,000	-0-
087. Repair, Upgrade, and Improve Elevator Systems		
Restricted Funds	5,000,000	-0-
088. Repair, Upgrade, and Improve Building Shell Systems		
Restricted Funds	5,000,000	-0-
089. Upgrade/Renovate Surgical Services – UK HealthCare		
Restricted Funds	5,000,000	-0-
090. Renovate Mineral Industries Building		
Restricted Funds	4,900,000	-0-
091. Construct/Fit-up Retail Space		
Other Funds	4,000,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
092. Purchase Cardiology Information System – UK HealthCare		
Restricted Funds	4,000,000	-0-
093. Construct WUKY Facility		
Restricted Funds	3,910,000	-0-
094. Renovate Robotics Building		
Restricted Funds	3,842,000	-0-
095. Construct, Upgrade, and Fit-up Support Services – UK HealthCare		
Restricted Funds	3,500,000	-0-
096. Implement Unified Communication System – UK HealthCare		
Restricted Funds	3,000,000	-0-
097. Acquire Mainframe Computer – UK HealthCare		
Restricted Funds	3,000,000	-0-
098. Replace/Upgrade Perioperative Information System		
Restricted Funds	3,000,000	-0-
099. Acquire Wireless/Cellular Infrastructure		
Restricted Funds	3,000,000	-0-
100. Purchase Telephone System Replacement		
Restricted Funds	3,000,000	-0-
101. Purchase Telephone System Replacement – UK HealthCare		
Restricted Funds	3,000,000	-0-
102. Install Artificial Turf on Pieratt Recreational Fields		
Restricted Funds	2,795,000	-0-
103. Purchase Upgraded Communications Infrastructure 1		
Restricted Funds	2,500,000	-0-
104. Purchase Upgraded Communications Infrastructure 2		
Restricted Funds	2,500,000	-0-
105. Repair Stadium Structure		

Restricted Funds	2,500,000	-0-
106. Construct Center Emergency Response Center		
Restricted Funds	2,370,000	-0-
107. Acquire Enterprise Storage System		
Restricted Funds	2,200,000	-0-
108. Expand/Renovate Sturgill Development Building		
Restricted Funds	2,130,000	-0-
109. Emerging Technologies Academic Support		
Restricted Funds	2,000,000	-0-
110. Purchase Transport Buses		
Restricted Funds	2,000,000	-0-
111. Remote Site Fiber Infrastructure		
Restricted Funds	2,000,000	-0-
112. Renovate Academic/Administrative Space 5		
Restricted Funds	2,000,000	-0-
113. Renovate Schmidt Vocal Arts Center		
Restricted Funds	2,000,000	-0-
114. Replace/Upgrade Radiology Information System		
Restricted Funds	2,000,000	-0-
115. Acquire Data Warehouse/Infrastructure		
Restricted Funds	1,800,000	-0-
116. Expand Training Table Dining Addition – Wildcat Coal Lodge		
Other Funds	1,500,000	-0-
117. Acquire Communications Equipment		
Restricted Funds	1,500,000	-0-
118. Acquire Network Security Hardware		
Restricted Funds	1,500,000	-0-
119. Renovate Dickey Hall Library		
Restricted Funds	1,500,000	-0-
120. Renovate Old Softball/Soccer Locker Room		
Other Funds	1,500,000	-0-
121. Renovate/Upgrade Video Board – Memorial Coliseum		
Other Funds	1,500,000	-0-
122. Acquire Exchange Replacement		
Restricted Funds	1,000,000	-0-
123. Purchase Allergy Information System – UK HealthCare		
Restricted Funds	1,000,000	-0-
124. Renovate Space for Testing Center		

Restricted Funds	1,000,000	-0-
125. Renovate/Replace Playing Field – Commonwealth Stadium		
Other Funds	1,000,000	-0-
126. Acquire Document Imaging (ASG)		
Restricted Funds	775,000	-0-
127. Fit-up Team Novelty Store – Commonwealth Stadium		
Other Funds	750,000	-0-
128. Acquire Campus Call Center System		
Restricted Funds	750,000	-0-
129. Fayette County – Lease – Administrative Office		
130. Fayette County – Lease – Blazer Parkway		
131. Fayette County – Lease – Good Samaritan Hospital		
132. Fayette County – Lease – Grants Project 2		
133. Fayette County – Lease – Health Affairs Office 2		
134. Fayette County – Lease – Kentucky Utilities Building		
135. Fayette County – Lease – Off Campus Housing 1		
136. Fayette County – Lease – Off Campus Housing 2		
137. Fayette County – Lease – Health Affairs Office 3		
138. Fayette County – Lease – Health Affairs Office 5		
139. Lease – Grant Projects 1		
140. Lease – Health Affairs Office		
141. Lease – Health Affairs Office 4		
142. Lease – Health Affairs Office 6		
143. Lease – Health Affairs Office 7		
144. Lease – Health Affairs Office 8		
145. Lease – Health Affairs Office 9		
146. Lease – Med Center Grant Projects 1		
147. Lease – Med Center Grant Projects 2		
148. Lease – Med Center Off Campus Facility 1		
149. Lease – Med Center Off Campus Facility 2		
150. Lease – Med Center Off Campus Facility 3		
151. Lease – Med Center Off Campus Facility 4		
152. Lease – Off Campus 1		
153. Lease – Off Campus 2		
154. Lease – Off Campus 3		
155. Lease – Off Campus 4		
156. Lease – Off Campus 5		
157. Lease – Off Campus 6		
158. Lease – Off Campus 7		

159.	Lease – Off Campus – Athletics		
160.	Lease – Rural Health Expansion – Perry County		
161.	Lease – Off-Campus Housing 3		
162.	Lease – Off-Campus Housing 4		
163.	Lease – Off-Campus Housing 5		
164.	Lease – Off-Campus Housing 6		
165.	Guaranteed Energy Savings Performance Contracts		
166.	Construct Research Building		
	Restricted Funds	23,000,000	-0-
167.	Renovate/Upgrade HealthCare Facilities 2		
	Restricted Funds	130,000,000	-0-
168.	Research Equipment Pool		
	Restricted Funds	30,000,000	-0-
169.	Construct Alumni Center		
	Other Funds	30,000,000	-0-
170.	Construct Office Tower - UKHC		
	Restricted Funds	95,600,000	-0-
171.	Construct Satellite Student Center		
	Other Funds	75,400,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.			
172.	Repair/Upgrade/Expand Central Plants		
	Restricted Funds	62,000,000	-0-
173.	Construct Parking/Academic Facility		
	Other Funds	50,000,000	-0-
174.	Construct/Renovate/Upgrade Dining Facility 1		
	Restricted Funds	40,000,000	-0-
175.	Construct Baseball Facility		
	Other Funds	40,000,000	-0-
176.	Implement Revenue Management System		
	Restricted Funds	35,000,000	-0-
177.	Renovate Funkhouser Building		
	Restricted Funds	28,300,000	-0-
178.	Upgrade/Renovate Space in Multi-Disciplinary Science Building		
	Restricted Funds	27,200,000	-0-
179.	Renovate/Upgrade McVey Hall		
	Restricted Funds	23,100,000	-0-
180.	Renovate Dentistry Facilities		
	Restricted Funds	16,800,000	-0-

181. Emerging Technologies Academic Support Systems

Restricted Funds	2,000,000	-0-
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182. Guaranteed Energy Savings Performance Contracts - Parking**183. Guaranteed Energy Savings Performance Contracts - Athletics****9. UNIVERSITY OF LOUISVILLE****001. Construct Belknap Classroom/Academic Building**

Bond Funds	80,560,000	-0-
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002. Construct Medical Office Building

Other Funds	60,300,000	-0-
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(1) **Authorization:** The above authorization is approved pursuant to KRS 45.763.

003. Capital Renewal Pool – 2014-2016

Restricted Funds	20,000,000	20,000,000
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004. Renovate Schneider Hall

Restricted Funds	21,836,000	-0-
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005. Purchase IT Data Center Support Systems

Restricted Funds	20,000,000	-0-
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006. Construct Kosair Medical Office Building Fitout

Restricted Funds	19,745,000	-0-
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007. Renovate Burhans Hall

Other Funds	17,000,000	-0-
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(1) **Authorization:** The above authorization is approved pursuant to KRS 45.763.

008. Purchase Land Support Service – Northeast Quadrant

Agency Bonds	15,600,000	-0-
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009. Expand Sackett Hall

Restricted Funds	14,758,000	-0-
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010. Renovate Ekstrom Library – Additional Reauthorization (\$44,705,000

Restricted Funds)

Restricted Funds	13,371,000	-0-
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011. Code Compliance Pool – 2014-2016

Restricted Funds	12,822,000	-0-
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012. Construct Executive MBA/Business Program

Restricted Funds	12,000,000	-0-
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013. Purchase Storage System

Restricted Funds	12,000,000	-0-
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014. Expand and Renovate Student Activities Center – Additional

Reauthorization (\$9,600,000 Agency Bonds)

015. Renovate HPES/Studio Arts Building

Restricted Funds	9,850,000	-0-
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016. Renovate Chemistry Fume Hoods – Phase II

Restricted Funds	9,730,000	-0-
017. Renovate Dougherty Hall		
Restricted Funds	9,233,000	-0-
018. Purchase Computer Processing System		
Restricted Funds	8,000,000	-0-
019. Purchase Networking System		
Restricted Funds	8,000,000	-0-
020. Purchase Security and Firewall Infrastructure		
Restricted Funds	8,000,000	-0-
021. Expand Schnellenberger Football Complex		
Other Funds	7,500,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
022. Construct Athletics Office Building		
Restricted Funds	7,400,000	-0-
023. Purchase Fiber Infrastructure		
Restricted Funds	7,000,000	-0-
024. Purchase Research Computing Infrastructure		
Restricted Funds	7,000,000	-0-
025. Renovate Kosair Pediatrics Center Offices		
Restricted Funds	6,850,000	-0-
026. Renovate Natural Science Building – Additional Reauthorization		
(\$23,508,000 Restricted Funds)		
Restricted Funds	6,335,000	-0-
027. Purchase Digital Communications System		
Restricted Funds	6,000,000	-0-
028. Purchase Enterprise Application System		
Restricted Funds	6,000,000	-0-
029. Renovate Kornhauser Library – Additional Reauthorization		
(\$16,030,000 Restricted Funds)		
Restricted Funds	5,950,000	-0-
030. Renovate W. S. Speed Building – Additional Reauthorization		
(\$11,927,000 Restricted Funds)		
Restricted Funds	5,269,000	-0-
031. Papa John’s Stadium Seat Replacement		
Other Funds	5,250,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
032. Purchase Land Near Floyd Street Parcel II		
Restricted Funds	5,200,000	-0-

033.	Renovate K-Wing 1st Floor Office		
	Restricted Funds	5,000,000	-0-
034.	Renovate Health Science Center Instructional Building		
	Restricted Funds	4,433,000	-0-
035.	Renovate Brown Cancer Center 4th Floor		
	Restricted Funds	4,388,000	-0-
036.	Purchase Content Management System		
	Restricted Funds	4,000,000	-0-
037.	Construct Clinical/Office Space in West Louisville		
	Restricted Funds	3,949,000	-0-
038.	Renovate Belknap Playhouse		
	Restricted Funds	3,510,000	-0-
039.	Purchase Land Near Health Sciences Campus – Parcel IV		
	Restricted Funds	3,240,000	-0-
040.	Renovate Delia Baxter Building Clean Room		
	Restricted Funds	3,100,000	-0-
041.	Renovate Donald Baxter Building 2nd and 3rd Floor Laboratories		
	Restricted Funds	3,010,000	-0-
042.	Purchase PET Scanner		
	Restricted Funds	-0-	3,000,000
043.	Purchase Electronic Research Information System		
	Restricted Funds	1,350,000	1,350,000
044.	Renovate Ambulatory Care Building		
	Restricted Funds	2,540,000	-0-
045.	Upgrade/Replace Digital Output System		
	Restricted Funds	2,500,000	-0-
046.	Purchase Robotic Retrieval Systems		
	Restricted Funds	2,426,000	-0-
047.	Purchase Visualization System – Planetarium		
	Federal Funds	2,000,000	-0-
048.	Renovate Chemistry Teaching Laboratories and Auditorium		
	Restricted Funds	1,957,000	-0-
049.	Construct College of Business Courtyard and Café		
	Restricted Funds	1,819,000	-0-
050.	Housing Capital Renewal Pool – 2014-2016		
	Restricted Funds	1,795,000	-0-
051.	Construct Health Sciences Campus Steam and Chilled Water Plant II – Additional Reauthorization (\$34,595,000 Restricted Funds)		
	Restricted Funds	1,705,000	-0-

052. Renovate Concentrated Care Building		
Restricted Funds	1,628,000	-0-
053. Renovate Abell Administration Building		
Restricted Funds	1,593,000	-0-
054. Construct Athletic Grounds Building		
Other Funds	1,500,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
055. Renovate Threlkeld Hall Infrastructure		
Restricted Funds	1,500,000	-0-
056. Purchase Land Near Health Sciences Campus – Parcel I – Additional Reauthorization (\$34,246,000)		
Other Funds	1,369,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
057. Renovate K-Wing Classroom		
Other Funds	1,223,000	-0-
058. Purchase Individually Ventilated Caging System		
Restricted Funds	600,000	597,000
059. Purchase Fourier-Transform Mass Spectrometer		
Restricted Funds	1,100,000	-0-
060. Purchase MS-MS Tandem Mass Spectrometer		
Restricted Funds	1,100,000	-0-
061. Purchase Soccer Stadium Video Boards		
Restricted Funds	1,050,000	-0-
062. Renovate College of Business Green Roof		
Restricted Funds	1,030,000	-0-
063. Renovate Donald Baxter Building Clean Room Expansion		
Restricted Funds	987,000	-0-
064. Construct Belknap Center Place Plaza – Additional Reauthorization (\$7,883,000 Restricted Funds)		
Restricted Funds	957,000	-0-
065. Renovate Lions Eye Research Institute – Additional Reauthorization (\$19,770,000 Restricted Funds)		
Restricted Funds	937,000	-0-
066. Purchase Console for Nuclear Magnetic Resonance System		
Restricted Funds	-0-	900,000
067. Purchase Large Frame Plastic Sintering Machine		
Federal Funds	-0-	900,000
068. Construct Flexner Way Mall – Preston to Jackson		

ACTS OF THE GENERAL ASSEMBLY

Restricted Funds	445,000	-0-
Other Funds	445,000	-0-
TOTAL	890,000	-0-
069. Renovate Middleton Auditorium		
Restricted Funds	850,000	-0-
070. Purchase Additive Microdeposition Machine		
Federal Funds	-0-	825,000
071. Construct Athletic Academic Support Facility – Additional Reauthorization (\$16,228,000 Other Funds)		
Other Funds	812,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
072. Construct Flexner Way Mall – Jackson to Hancock		
Restricted Funds	390,000	-0-
Other Funds	390,000	-0-
TOTAL	780,000	-0-
073. Construct Athletic Equipment and Apparel Storage Facility		
Other Funds	750,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
074. Purchase Cell Processing Unit 1		
Restricted Funds	750,000	-0-
075. Purchase Cell Processing Unit 2		
Restricted Funds	750,000	-0-
076. Purchase Land Near Belknap Campus – East		
Restricted Funds	750,000	-0-
077. Purchase Large Frame Plastic Deposition Machine		
Federal Funds	750,000	-0-
078. Purchase Super Resolution Confocal Microscope		
Federal Funds	750,000	-0-
079. Renovate Football Practice Field Lighting		
Other Funds	750,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
080. Renovate Miller Hall Infrastructure		
Restricted Funds	750,000	-0-
081. Construct Center for Creative Studies – Additional Reauthorization (\$9,450,000 Restricted Funds)		
Restricted Funds	743,000	-0-
082. Purchase Two Photon Microscopes		
Restricted Funds	719,000	-0-
083. Purchase PCs, Printers, Scanners for Libraries		

Restricted Funds	175,000	175,000
Other Funds	175,000	175,000
TOTAL	350,000	350,000

084. Renovate J. B. Speed Building – Additional Reauthorization
(\$12,200,000 Restricted Funds)

Restricted Funds	662,000	-0-
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085. Purchase Direct Metal Additive Fabrication Machine

Federal Funds	650,000	-0-
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086. Renovate Research Resource Center – Additional Reauthorization
(\$14,708,000 Restricted Funds)

Restricted Funds	617,000	-0-
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087. Construct Center for Social Change – Additional Reauthorization
(\$13,000,000 Other Funds)

Other Funds	610,000	-0-
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(1) Authorization: The above authorization is approved pursuant to KRS 45.763.

088. Purchase Biological Material Deposition Machine

Federal Funds	600,000	-0-
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089. Purchase Cell Isolation System

Restricted Funds	-0-	600,000
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090. Purchase CyTof Instrument

Federal Funds	600,000	-0-
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091. Renovate Oppenheimer Hall – Additional Reauthorization (\$4,792,000 Restricted Funds)

Restricted Funds	597,000	-0-
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092. Expand Chilled Water and Electrical Service Upgrade – Additional Reauthorization (\$12,750,000 Restricted Funds)

Restricted Funds	550,000	-0-
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093. Construct Intramural Field Complex – Additional Reauthorization
(\$7,234,000 Restricted Funds)

Restricted Funds	546,000	-0-
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094. Purchase FACS Aria II Special Order System

Federal Funds	530,000	-0-
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095. Purchase Next Generation DNA Sequencer

Restricted Funds	525,000	-0-
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096. Purchase MALDI-TOF Mass Spectrometer

Federal Funds	500,000	-0-
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097. Purchase Quadruple Orbitrap Mass Spectrometer

Federal Funds	500,000	-0-
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098. Purchase Teleconferencing/Computer Equipment		
Restricted Funds	500,000	-0-
099. Purchase Two-Photon Laser Scanning Microscope		
Federal Funds	-0-	500,000
100. Purchase UHR-TOF Mass Spectrometer		
Federal Funds	500,000	-0-
101. Purchase Ultrasound Trainer		
Restricted Funds	490,000	-0-
102. Purchase Two-Photon Imaging System		
Federal Funds	-0-	480,000
103. Purchase MOCVD System		
Federal Funds	450,000	-0-
104. Belknap Floyd Street Corridor Improvements – Additional Reauthorization (\$3,500,000 Restricted Funds)		
Restricted Funds	430,000	-0-
105. Purchase Bulk Sterilizer		
Restricted Funds	421,000	-0-
106. Purchase Ultraview ERS 6FO Confocal Microscope		
Restricted Funds	-0-	420,000
107. Utility Distribution System – South Belknap – Additional Reauthorization (\$12,000,000 Restricted Funds)		
Restricted Funds	416,000	-0-
108. Construct Utilities Remove Overhead Lines – Additional Reauthorization (\$10,350,000 Restricted Funds)		
Restricted Funds	400,000	-0-
109. Purchase High Resolution Triple TOF Mass Spectrometer		
Federal Funds	400,000	-0-
110. Purchase Scanning Electron Microscope		
Restricted Funds	-0-	400,000
111. Purchase Cage and Rack Washer 1		
Restricted Funds	-0-	398,000
112. Purchase Rodent Plastic Caging		
Restricted Funds	398,000	-0-
113. Purchase Multispectral Imaging Flow Cytometer		
Restricted Funds	-0-	390,000
114. Purchase High Resolution Echocardiography System		
Federal Funds	-0-	350,000
115. Construct Belknap Brandeis Corridor Improvements – Additional Reauthorization (\$2,774,000 Restricted Funds)		

Restricted Funds	326,000	-0-
116. Purchase Mobile Animal Runs		
Restricted Funds	-0-	323,000
117. Purchase Land Near Belknap Campus – North – Additional Reauthorization (\$8,000,000 Restricted Funds)		
Restricted Funds	320,000	-0-
118. Purchase Digital Materials 3-D Printing System		
Federal Funds	-0-	300,000
119. Renovate, Resurface Track and Cardio Path – Additional Reauthorization (\$700,000 Restricted Funds)		
Restricted Funds	300,000	-0-
120. Purchase Automatic Bedding Dispensing and Removal System		
Restricted Funds	-0-	278,000
121. Purchase Library Tables, Chairs and Wired Study Carrels		
Restricted Funds	275,000	-0-
122. Purchase Laser Confocal Scanning Microscope		
Federal Funds	250,000	-0-
123. Purchase Metal Evaporation System		
Federal Funds	250,000	-0-
124. Purchase Land Near Health Sciences Campus – Parcel II – Additional Reauthorization (\$6,034,000 Restricted Funds)		
Restricted Funds	241,000	-0-
125. Purchase Land Near Belknap Campus – South – Additional Reauthorization (\$6,000,000 Restricted Funds)		
Restricted Funds	240,000	-0-
126. Belknap 3rd Street Improvements – Additional Reauthorization (\$1,950,000 Restricted Funds)		
Restricted Funds	230,000	-0-
127. Purchase Cage and Rack Washer 2		
Restricted Funds	-0-	220,000
128. Purchase Tunnel Cage Washer		
Restricted Funds	-0-	208,000
129. Purchase Adaptive Optic Retinal Imaging System		
Federal Funds	200,000	-0-
130. Purchase Diagnostic/Imaging System		
Federal Funds	200,000	-0-
131. Purchase Land Near Floyd Street – Parcel I – Additional Reauthorization (\$5,000,000 Restricted Funds)		

Restricted Funds	200,000	-0-
132. Expand Rauch Planetarium – Additional Reauthorization (\$3,220,000 Federal Funds)		
Federal Funds	132,000	-0-
133. Construct Physical Plant Space in Health Sciences Campus Garage – Additional Reauthorization (\$2,318,000 Restricted Funds)		
Restricted Funds	122,000	-0-
134. Purchase Land Near Health Sciences Campus – Parcel III – Additional Reauthorization (\$3,000,000 Restricted Funds)		
Restricted Funds	120,000	-0-
135. Belknap Century Corridor Improvements – Additional Reauthorization (\$890,000 Restricted Funds)		
Restricted Funds	100,000	-0-
136. Purchase Artificial Turf – Additional Reauthorization (\$865,000 Other Funds)		
Other Funds	85,000	-0-
(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
137. Renovate College of Business Classrooms – Additional Reauthorization (\$1,800,000 Restricted Funds)		
Restricted Funds	65,000	-0-
138. Construct Flexner Way Mall – Floyd to Preston – Additional Reauthorization (\$1,660,000 Restricted Funds)		
Restricted Funds	60,000	-0-
139. Renovate Life Sciences Building Vivarium – Additional Reauthorization (\$1,096,000 Restricted Funds)		
Restricted Funds	44,000	-0-
140. Construct Artificial Turf Field for Intramural – Additional Reauthorization (\$693,000 Restricted Funds)		
Restricted Funds	40,000	-0-
141. Renovate Gross Anatomy Laboratory – Additional Reauthorization (\$5,520,000 Restricted Funds)		
Restricted Funds	38,000	-0-
142. Construct Belknap Stormwater Improvements Reauthorization (\$5,000,000 Restricted Funds)		
143. Construct Center for the Performing Arts Improvements Reauthorization (\$76,660,000 Restricted Funds)		
144. Construct or Renovate Data Center Improvements Reauthorization (\$38,000,000 Restricted Funds)		
145. Renovate Law School Improvements Reauthorization (\$36,081,000		

Restricted Funds)

- 146. Academic Space – Lease
- 147. Belknap Office Space 1 – Lease
- 148. Belknap Office Space 2 – Lease
- 149. Belknap Office Space 3 – Lease
- 150. Clinic Space – Lease
- 151. Contract Administration Office Space – Lease
- 152. Dental Clinic Space – Lease
- 153. Department of Family and Geriatric Medicine Office, Clinical Space –
Lease
- 154. East End Clinical Space – Lease
- 155. HSC Additional Office, Clinic Space – Lease
- 156. HSC Off Campus Office Space 1 – Lease
- 157. HSC Off Campus Office Space 2 – Lease
- 158. IT Data Center – Lease
- 159. Master of Fine Arts – Lease
- 160. Med Center One – Lease
- 161. Nucleus 1 Building – Lease
- 162. Jefferson County – Office Space – Lease
- 163. U of L Foundation Office Space – Lease
- 164. West Louisville Center for Community Health, Education, Outreach –
Lease

165. Construct Administrative Office Building

Restricted Funds	51,245,000	-0-
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166. Expand/Renovate College of Education Building

Restricted Funds	60,107,000	-0-
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167. Purchase Olympus Photon Microscope (2)

Restricted Funds	719,000	-0-
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10. WESTERN KENTUCKY UNIVERSITY

001. Renovate Science Campus Phase IV

Bond Funds	48,000,000	-0-
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002. Renovation at the Center for Research and Development #1

Restricted Funds	12,300,000	-0-
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003. Renovate Gordon Wilson Hall

Restricted Funds	11,600,000	-0-
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004. Expand Gatton Academy of Math and Science

Other Funds	10,000,000	-0-
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005. Miscellaneous Maintenance Pool – 2014-2016

Restricted Funds	10,000,000	-0-
006. Renovate Garrett Conference Center Academic Space		
Restricted Funds	8,700,000	-0-
007. Renovate Garrett Conference Center Food Court		
Restricted Funds	7,000,000	-0-
008. Renovate Central Heat Plant		
Restricted Funds	5,100,000	-0-
009. Upgrade IT Infrastructure		
Restricted Funds	4,979,000	-0-
010. Construct Baseball Grandstand		
Other Funds	4,500,000	-0-
011. Renovate Art Lab/Museum		
Restricted Funds	4,200,000	-0-
012. Construct Track and Field Facilities Phase I		
Other Funds	4,000,000	-0-
013. Acquire Furniture, Fixtures, and Equipment for Diddle Arena		
Other Funds	3,000,000	-0-
014. Acquire Furniture, Fixtures, and Equipment for Honors College		
Restricted Funds	3,000,000	-0-
015. Demolish Thompson North Wing and Replace with Temporary Facility		
Restricted Funds	3,000,000	-0-
016. Parking and Street Improvements – 2014-2016		
Restricted Funds	3,000,000	-0-
017. Purchase Property for Campus Expansion – 2014-2016		
Restricted Funds	3,000,000	-0-
018. Renovate/Addition to Health Services Facility		
Restricted Funds	2,000,000	-0-
Other Funds	1,000,000	-0-
TOTAL	3,000,000	-0-
019. Acquire Equipment Pool – 2014-2016		
Restricted Funds	2,500,000	-0-
020. Construct South Plaza		
Other Funds	2,500,000	-0-
021. Renovation at the Center for Research and Development #2		
Restricted Funds	2,300,000	-0-
022. Add Club Seating at Diddle Arena		
Other Funds	2,200,000	-0-
023. Construct Football Pressbox		
Other Funds	2,200,000	-0-

024. Renovation at the Center for Research and Development #3		
Restricted Funds	2,200,000	-0-
025. Acquire Furniture, Fixtures, and Equipment for Hardin County Project		
Restricted Funds	2,000,000	-0-
026. Design Environmental Science and Technology Hall Renovation		
Restricted Funds	2,000,000	-0-
027. Construct Nanotechnology Laboratory		
Restricted Funds	1,900,000	-0-
028. Renovate State and Normal Street Properties		
Restricted Funds	1,500,000	-0-
029. Renovate Foundation Building		
Restricted Funds	1,200,000	-0-
030. Renovate Tate Page Hall		
Restricted Funds	1,200,000	-0-
031. Acquire Bus Replacements		
Restricted Funds	1,000,000	-0-
032. Design Agriculture Expo Center Renovation		
Restricted Funds	1,000,000	-0-
033. Interior Renovation Jones Jagers		
Restricted Funds	1,000,000	-0-
034. Renovate Grise Hall Restrooms (ADA)		
Restricted Funds	930,000	-0-
035. Major Repairs Smith Stadium		
Restricted Funds	800,000	-0-
036. Raze and Replace Student Housing at Western Kentucky University Farm		
Restricted Funds	800,000	-0-
037. Alumni Center – Lease		
038. College of Business – Lease		
039. Nursing and Physical Therapy – Lease		
040. Parking Garage – Lease		
041. Pearce Ford Tower Food Court – Lease		
042. South Regional Postsecondary Education Center – Lease		
043. Replace Underground Infrastructure - Steam/Electric		
Restricted Funds	30,000,000	-0-
044. Construct New Gordon Ford College of Business and Renovate Grise Hall		
Restricted Funds	77,200,000	-0-

045. Capital Renewal Pool (Maintenance Pool) 2014

Restricted Funds	10,000,000	-0-
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046. Renovate Helm/Cravens Library

Restricted Funds	41,800,000	-0-
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047. Renovate Ivan Wilson, Phase II

Restricted Funds	26,100,000	-0-
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048. Renovate Academic Complex

Restricted Funds	27,500,000	-0-
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049. Renovate Kentucky Building

Restricted Funds	17,500,000	-0-
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11. KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

(1) Conveyance of Property: The Kentucky Community and Technical College System may undertake a capital construction project under the provisions of Part I, K., 11., (3), of this Act.

001. Construct MCTC/MSU Postsecondary Center of Excellence Phase I –

Maysville CTC

Restricted Funds	7,000,000	-0-
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Agency Bonds	21,000,000	-0-
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TOTAL	28,000,000	-0-
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002. Construct Advanced Manufacturing Facility

Bond Funds	24,000,000	-0-
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003. Newtown Campus Expansion – Bluegrass CTC

Restricted Funds	6,000,000	-0-
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Agency Bonds	18,000,000	-0-
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TOTAL	24,000,000	-0-
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004. Construct Instructional Complex – Southcentral CTC

Restricted Funds	5,500,000	-0-
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Agency Bonds	16,500,000	-0-
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TOTAL	22,000,000	-0-
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005. Construct Postsecondary Education Center – Madisonville CC

Restricted Funds	5,000,000	-0-
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Agency Bonds	15,000,000	-0-
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TOTAL	20,000,000	-0-
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006. Construct Carrollton Campus Phase I – Jefferson CTC

Restricted Funds	4,000,000	-0-
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Agency Bonds	12,000,000	-0-
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TOTAL	16,000,000	-0-
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007. Construct Agriculture Health and Career Technology Center Phase I –

Hopkinsville CC

Restricted Funds	3,750,000	-0-
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Agency Bonds	11,250,000	-0-
TOTAL	15,000,000	-0-
008. Construct Urban Campus – Gateway CTC		
Restricted Funds	3,750,000	-0-
Agency Bonds	11,250,000	-0-
TOTAL	15,000,000	-0-
009. Construct Advanced Technology Center Phase II – Owensboro CTC		
Restricted Funds	3,000,000	-0-
Agency Bonds	9,000,000	-0-
TOTAL	12,000,000	-0-
010. KCTCS Equipment Pool – 2014-2016		
Restricted Funds	12,000,000	-0-
011. Construct 2D Arts School Phase I – West Kentucky CTC		
Restricted Funds	2,500,000	-0-
Agency Bonds	7,500,000	-0-
TOTAL	10,000,000	-0-
012. KCTCS Property Acquisition Pool – 2014-2016		
Restricted Funds	10,000,000	-0-
013. Construct Educational Alliance Center - Middlesboro Campus – Southeast Kentucky CTC		
Restricted Funds	2,500,000	-0-
Agency Bonds	7,500,000	-0-
TOTAL	10,000,000	-0-
014. Renovate Main Building – College Drive – Ashland CTC		
Restricted Funds	2,500,000	-0-
Agency Bonds	7,500,000	-0-
TOTAL	10,000,000	-0-
015. Acquisition of System Office Building		
Restricted Funds	6,300,000	-0-
016. Renovate Campus Wide Facilities – Henderson CC		
Restricted Funds	1,250,000	-0-
Agency Bonds	3,750,000	-0-
TOTAL	5,000,000	-0-
017. Renovate Denham Building Exterior – Maysville CTC		
Restricted Funds	4,011,000	-0-
018. Renovate Administration Building – Whitesburg – Southeast Kentucky CTC		
Restricted Funds	3,734,000	-0-

019. Renovate HVAC System Phase I – Owensboro CTC		
Restricted Funds	3,297,000	-0-
020. Purchase Leitchfield Property – Elizabethtown CTC		
Restricted Funds	3,000,000	-0-
021. Renovate HVAC System – Meece Building – Somerset CC		
Restricted Funds	3,000,000	-0-
022. Renovate Building for Skilled Crafts Training Center, Phase III – West Kentucky CTC		
Restricted Funds	2,630,000	-0-
023. Construct Arts and Humanities Building – Somerset CC North		
Restricted Funds	500,000	-0-
Agency Bonds	1,500,000	-0-
TOTAL	2,000,000	-0-
024. Construct Community Intergenerational Center – Lees-Hazard CTC		
Restricted Funds	500,000	-0-
Agency Bonds	1,500,000	-0-
TOTAL	2,000,000	-0-
025. Expansion of Pikeville Campus – Big Sandy CTC		
Restricted Funds	500,000	-0-
Agency Bonds	1,500,000	-0-
TOTAL	2,000,000	-0-
026. Renovate Collegewide Facilities – Big Sandy CTC		
Restricted Funds	2,000,000	-0-
027. Renovations Main Campus – West Kentucky CTC		
Restricted Funds	2,000,000	-0-
028. ADA Upgrades J. Phil Smith Building – Hazard CTC		
Restricted Funds	1,935,000	-0-
029. Construct Maintenance and Technical Building – West Kentucky CTC		
Restricted Funds	1,885,000	-0-
030. Construct Welding Lab – Main Campus – Henderson CC		
Restricted Funds	1,707,000	-0-
031. Soil Stabilization – Industrial Education Building – Hazard CTC		
Restricted Funds	1,650,000	-0-
032. Construct CPAT Center, State Fire and Rescue Training		
Restricted Funds	1,500,000	-0-
033. Install Sprinkler Systems – West Kentucky CTC		
Restricted Funds	1,500,000	-0-
034. Master Plan Development and Upgrade Pool – 2014-2016		
Restricted Funds	1,500,000	-0-

035. Construct Parking Lot and Lighting – Madisonville CC		
Restricted Funds	1,375,000	-0-
036. Construct Arboretum and Trails – Maysville CTC		
Restricted Funds	1,320,000	-0-
037. Renovation Utility Upgrade – Leestown Campus – Bluegrass CTC		
Restricted Funds	1,200,000	-0-
038. Acquire Land – Elizabethtown CTC		
Restricted Funds	1,000,000	-0-
039. Construct 2nd Floor Lab Technology Center – Hopkinsville CC		
Restricted Funds	1,000,000	-0-
040. Construct New Entrance – Leestown – Bluegrass CTC		
Restricted Funds	1,000,000	-0-
041. Construct Second Entrance – Main – Madisonville CC		
Restricted Funds	1,000,000	-0-
042. Renovate Owen Classroom Building – Elizabethtown CTC		
Restricted Funds	250,000	-0-
Agency Bonds	750,000	-0-
TOTAL	1,000,000	-0-
043. Replace Fire Alarm and Security System – Maysville CTC		
Restricted Funds	1,000,000	-0-
044. Site and Infrastructure Improvements – Somerset CC		
Restricted Funds	1,000,000	-0-
045. Construct or Procure Area 9 Training Building State Fire and Rescue Reauthorization (\$980,000 Restricted Funds)		
046. Gateway CTC – Urban Campus – Lease		
047. Jefferson CTC – Jefferson Education Center – Lease		
048. Maysville CTC – Montgomery County Center – Lease		
049. Guaranteed Energy Savings Performance Contracts		
050. KCTCS System Office Lease-Purchase		
051. Jefferson CTC - Bullitt County Campus - Lease-Purchase		
052. Mt. Sterling Property Acquisition - Maysville CTC		
Restricted Funds	8,000,000	-0-
053. Ashland Property Acquisition - Ashland CTC		
Restricted Funds	10,000,000	-0-
054. KCTCS Agency Bonds - 2014-2016		

(1) **Agency Bonds:** To provide flexibility to the Kentucky Community and Technical College System in the administration of its capital program, the following capital projects are eligible to be funded, in the order listed, from the Agency Bonds authorized for items 001., 003., 004., 005., 006., 007., 008., 009., 011., 013., 014., 016., 023., 024., 025., and 042. of this section if the local match for these items is not provided by June 30, 2016: Renovate Downtown Campus, Phase II - Jefferson CTC - \$29,831,000; Construct Muhlenberg Campus, Phase

II - Madisonville CTC - \$12,850,000; Complete Urban Campus - Gateway CTC - \$57,000,000; Construct Consolidated Allied Health Building - Hazard CTC - \$29,129,000; Construct Extension Center - Russell County - Somerset CTC - \$15,700,000; Construct Allied Health, Phase II - West KY CTC - \$16,762,000; Renovate Academic Building - Hopkinsville CTC - \$10,233,000; Exterior Renovation - Denham Building - Maysville CTC - \$4,011,000; Construct Technology Drive Campus, Phase III - Ashland CTC - \$11,771,000; Renovate Educational Alliance Center - Cumberland Campus - Southeast KY CTC - \$22,395,000; HVAC Replacement - Main Campus, Phase I - Owensboro CTC - \$3,297,000; Development of DJJ Property - Bluegrass CTC - \$5,322,000; Construct KY Advanced Tech Institute, Phase II - Southcentral KY CTC - \$9,531,000; Collegewide Renovation of Facilities for Instructional Purposes - Big Sandy CTC - \$8,030,000; Leitchfield Property Acquisition - Elizabethtown CTC - \$3,000,000; Welding Lab Relocation - Henderson CTC - \$1,707,000. Authorization of these eligible projects is contingent upon the relevant campus providing a local match equal to 25 percent of the total project cost listed above. The Kentucky Community and Technical College System shall report the projects selected to be funded pursuant to this section to the President of the Council on Postsecondary Education, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee.

K. PUBLIC PROTECTION CABINET

Budget Units	2014-15	2015-16
1. INSURANCE		
001. Franklin County – Lease		
2. HOUSING, BUILDINGS AND CONSTRUCTION		
001. Franklin County – Lease		

L. TOURISM, ARTS AND HERITAGE CABINET

Budget Units	2014-15	2015-16
1. PARKS		
001. Maintenance Pool – 2014-2016		
Bond Funds	4,000,000	4,000,000
002. Upgrade Guest Accommodations Reauthorization and Reallocation (\$466,800 Bond Funds)		
Bond Funds	5,033,200	-0-
(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of the project set forth in 2012 Ky. Acts ch. 144, Part II, L., 1., 002.		
003. Jefferson Davis Monument Re-sealing Reauthorization and Reallocation (\$620,000 Bond Funds)		
(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of 2006 Ky. Acts ch. 252, Part II, B., 1., 002 for the project set forth in 2006 Ky. Acts ch. 251, Section 18 and 2012 Ky. Acts ch. 144, Part II, L., 1., 002.		
004. Kentucky Dam Village Roof Replacement and Repair Reauthorization and Reallocation (\$2,000,000 Bond Funds)		
(1) Reauthorization and Reallocation: The above project is authorized from a reallocation of 2006 Ky. Acts ch. 252, Part II, B., 1., 002 for the project set forth in 2006 Ky. Acts ch. 251, Section 18.		
005. Rough River Dam Boat Dock		
General Fund	850,000	-0-
2. HORSE PARK COMMISSION		
001. Maintenance Pool – 2014-2016		
Investment Income	575,000	575,000
3. STATE FAIR BOARD		

001. Kentucky International Convention Center Renovation and Expansion		
Bond Funds	56,000,000	-0-
Other Funds	124,000,000	-0-
TOTAL	180,000,000	-0-
002. Freedom Hall Sewer Line Replacement		
Bond Funds	3,224,000	-0-
4. FISH AND WILDLIFE RESOURCES		
001. Fees-in-Lieu-of Stream Mitigation Projects Pool		
Restricted Funds	20,000,000	20,000,000
002. Land Acquisition Pool – 2014-2016		
Restricted Funds	1,000,000	1,000,000
5. HISTORICAL SOCIETY		
001. Digital Initiatives		
Bond Funds	1,000,000	-0-
Other Funds	2,500,000	-0-
TOTAL	3,500,000	-0-
6. KENTUCKY CENTER FOR THE ARTS		
001. Roof Replacement		
Bond Funds	2,200,000	-0-
002. Maintenance Pool – 2014-2016		
Investment Income	160,000	160,000

M. COAL SEVERANCE TAX PROJECTS

(1) Projects Authorization and Appropriation: Notwithstanding KRS 42.4588(2) and (4), the following projects are authorized and appropriated from Local Government Economic Development Fund moneys from the respective single county fund pursuant to KRS 42.4592 for public purposes in the following coal-producing counties in the manner and amounts enumerated. These projects are determined by the General Assembly to be important to the furtherance of the public policy objectives and economic development purposes for which the Local Government Economic Development Program was established. The amounts appropriated are estimates. Actual expenditures and encumbrances shall be limited to the actual receipts realized and available in the respective single county fund. These amounts are composed of estimated receipts for fiscal year 2013-2014, fiscal year 2014-2015, and fiscal year 2015-2016 in combination with prior unobligated balances in the respective single county funds. To the extent that a county that is authorized to proceed with a project enumerated below receives more single county Local Government Economic Development Fund moneys than are appropriated in this Act, the county may direct those funds to offset a cost overrun on any of the projects enumerated below upon approval of the Commissioner of the Department for Local Government.

(2) Projects Not To Be Duplicated: Notwithstanding KRS 42.4588(2) and (4), to avoid duplication of appropriations for the line-item coal severance tax projects authorized in this section, the following projects are authorized and appropriated for the amounts enumerated below under the condition that the project has not received, or already been authorized by the Department for Local Government to receive, funding prior to the effective date of this Act.

(3) Authorization for Current Year Coal Severance Tax Projects: The following projects authorized for fiscal year 2013-2014 shall remain authorized for the 2014-2016 fiscal biennium.

(4) Project Prioritization: Notwithstanding KRS 42.4588, the following projects shall have priority over projects that have been authorized prior to the effective date of this Act by the Department for Local Government to receive funding.

(5) **Water and Sewer Projects:** The following projects that are related to water and sewer shall be administered by the Kentucky Infrastructure Authority.

Budget Units	2013-14	2014-15	2015-16
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1. GENERAL GOVERNMENT

a. Department for Local Government

Bell County

001. Bell County Fiscal Court - City of Middlesboro - Projects - Equipment

Restricted Funds	-0-	50,000	50,000
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002. Bell County Fiscal Court - City of Pineville - Projects - Equipment

Restricted Funds	-0-	25,000	25,000
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003. Bell County Fiscal Court - Operations - Projects - Equipment

Restricted Funds	-0-	650,878	638,496
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Boyd County

001. Ashland Independent Board of Education - Ground and other improvements

Restricted Funds	-0-	15,000	-0-
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002. Boyd County Board of Education - Ground and other improvements

Restricted Funds	-0-	15,000	-0-
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003. Boyd County Fiscal Court - CASA of Northeast KY Improvements - Services and Operations

Restricted Funds	-0-	15,000	10,000
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004. Boyd County Fiscal Court - First Book - Improvements, Services, and Operations

Restricted Funds	-0-	5,000	-0-
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005. Boyd County Fiscal Court - Shelter of Hope - Improvements, Services, and Operations

Restricted Funds	-0-	5,579	2,153
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006. City of Ashland - Economic Development and Tourism

Restricted Funds	-0-	28,000	25,000
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007. City of Catlettsburg - Facility Equipment - Other Improvements

Restricted Funds	-0-	-0-	10,000
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008. Paramount Arts Center - Operations and Improvements

Restricted Funds	-0-	-0-	28,000
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Breathitt County

001. Breathitt County Board of Education - Renovations

Restricted Funds	-0-	85,500	81,750
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002. Breathitt County Board of Education - Road Equipment - Improvements

Restricted Funds	-0-	235,000	235,000
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003. Breathitt County Fiscal Court - Volunteer Fire Departments - Operations and Equipment

Restricted Funds	-0-	42,000	42,000
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004. Breathitt County Senior Citizens Program - Vehicle, Equipment, Building Upgrades, and Supplies

Restricted Funds	-0-	10,582	9,326
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005. Breathitt County Water District - Robinson Fork - End of Hwy 205 Roark Branch 30 East - War Creek Road Pump Station, Tank Site Equipment

Restricted Funds	-0-	50,000	50,000
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006. City of Jackson - Water Plant Improvements

Restricted Funds	-0-	51,500	51,500
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007. Jackson Independent Board of Education - Jackson Independent Board of Education

Restricted Funds	-0-	20,000	20,000
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008. Jackson Independent Board of Education - Renovations

Restricted Funds	-0-	90,250	87,400
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Clay County

001. City of Manchester - Police Cruiser

Restricted Funds	-0-	50,000	-0-
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002. City of Manchester - Swimming Pool Repairs and Operation

Restricted Funds	-0-	50,000	-0-
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003. Clay County Fiscal Court - "Stay on Clay" Historical Restoration and Preservation

Restricted Funds	-0-	25,000	-0-
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004. Clay County Fiscal Court - Equipment/Operations

Restricted Funds	-0-	20,000	50,000
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005. Clay County Fiscal Court - Library Renovations

Restricted Funds	-0-	25,000	-0-
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006. Clay County Fiscal Court - Sheriff's Department - Communication Equipment

Restricted Funds	-0-	30,000	-0-
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007. Clay County Fiscal Court - Sherriff's Department - Police Cruiser

Restricted Funds	-0-	50,000	-0-
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008. Clay County Fiscal Court - Transportation Infrastructure

Restricted Funds	-0-	50,000	100,000
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009. Clay County Fiscal Court - Waterline Extension

Restricted Funds	-0-	50,000	100,000
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Daviess County

001. Daviess County Fiscal Court - Economic Development

Restricted Funds	-0-	138,558	93,987
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Elliott County

001. City of Sandy Hook - Upgrades and Improvement Property Purchase			
Restricted Funds	-0-	-0-	8,150
002. Elliott County Board of Education - Elliott County Public Library and Elliott County Schools - Supplies - Upgrades - Equipment - Operations			
Restricted Funds	-0-	10,000	10,000
003. Elliott County Fiscal Court - Elliott County Ambulance Department - Improvements - Equipment			
Restricted Funds	-0-	25,000	20,000
004. Elliott County Fiscal Court - Equipment, Facility, Ground, and other Improvements			
Restricted Funds	-0-	10,033	12,500
005. Elliott County Fiscal Court - Improvement - Equipment - Operations			
Restricted Funds	-0-	20,000	20,000
006. Elliott County Fiscal Court - Isonville Fire Department - Equipment - Facility and Ground Improvements			
Restricted Funds	-0-	10,000	7,500
007. Elliott County Fiscal Court - Latural Gorge Heritage Center - Facility Upgrades - Equipment - Operations			
Restricted Funds	-0-	15,000	15,000
008. Elliott County Fiscal Court - Route 504 Fire Department - Equipment - Facility and Ground Improvements			
Restricted Funds	-0-	10,000	7,500
009. Elliott County Fiscal Court - Sandy Hook Fire Department - Equipment - Facility and Ground Improvements			
Restricted Funds	-0-	10,000	7,500

Floyd County

(1) Project Priority: The following shall be the priority order of funding for the projects enumerated below for Floyd County: 001., all fire department projects, all veterans organization projects, 019., 025., park projects, 032., 033., 034., 035., 036., 037., 038., 039., and 040..

001. Floyd County Fiscal Court - Floyd County Senior Citizens, Inc.			
Restricted Funds	-0-	200,000	200,000
002. City of Martin - Martin Fire Department - Equipment and Expenses			
Restricted Funds	-0-	1,750	1,750
003. City of Prestonsburg - Prestonsburg Fire Department - Expenses			
Restricted Funds	-0-	1,750	1,750
004. City of Wayland - Wayland Fire Department - Expenses			
Restricted Funds	-0-	1,750	1,750
005. City of Wheelwright - Wheelwright Fire Department - Expenses			
Restricted Funds	-0-	1,750	1,750
006. Floyd County Fiscal Court - Cow Creek Fire Department - Expenses			

Restricted Funds	-0-	1,750	1,750
007. Floyd County Fiscal Court - Allen Fire Department - Expenses			
Restricted Funds	-0-	1,750	1,750
008. Floyd County Fiscal Court - Auxier Fire Department - Expenses			
Restricted Funds	-0-	1,750	1,750
009. Floyd County Fiscal Court - Betsy Layne Fire Department - Expenses			
Restricted Funds	-0-	1,750	1,750
010. Floyd County Fiscal Court - David Fire Department - Expenses			
Restricted Funds	-0-	1,750	1,750
011. Floyd County Fiscal Court - Garrett Fire Department - Expenses			
Restricted Funds	-0-	1,750	1,750
012. Floyd County Fiscal Court - Left Beaver Fire Department and Rescue Squad - Expenses			
Restricted Funds	-0-	1,750	1,750
013. Floyd County Fiscal Court - Maytown Fire Department - Expenses			
Restricted Funds	-0-	1,750	1,750
014. Floyd County Fiscal Court - Middle Creek Fire Department - Expenses			
Restricted Funds	-0-	1,750	1,750
015. Floyd County Fiscal Court - Mud Creek Fire Department - Expenses			
Restricted Funds	-0-	1,750	1,750
016. Floyd County Fiscal Court - Southeast Fire Department - Expenses			
Restricted Funds	-0-	1,750	1,750
017. Floyd County Fiscal Court - Toler Creek Fire Department - Expenses			
Restricted Funds	-0-	1,750	1,750
018. City of Prestonsburg - VFW Post 5839 - Equipment and Improvements			
Restricted Funds	-0-	1,750	1,750
019. Floyd County Fiscal Court - DAV Chapter 128 - Bus			
Restricted Funds	-0-	25,000	-0-
020. Floyd County Fiscal Court - American Legion Post 283 - Equipment and Improvements			
Restricted Funds	-0-	1,750	1,750
021. Floyd County Fiscal Court - DAV Post #128 - Equipment and Operations			
Restricted Funds	-0-	1,750	1,750
022. Floyd County Fiscal Court - DAV Post #169 - Equipment and Operations			
Restricted Funds	-0-	1,750	1,750
023. Floyd County Fiscal Court - DAV Post #18 - Equipment and Operations			
Restricted Funds	-0-	1,750	1,750
024. Floyd County Fiscal Court - Martin American Veterans - Equipment and			

Improvements

Restricted Funds	-0-	1,750	1,750
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025. City of Prestonsburg - Floyd County Rescue Squad - Equipment, Operations, and Repairs

Restricted Funds	-0-	10,000	10,000
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026. City of Wayland - Wayland Park

Restricted Funds	-0-	2,500	2,500
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027. Floyd County Fiscal Court - Elkhorn Park - ATV Trails

Restricted Funds	-0-	12,500	12,500
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028. Floyd County Fiscal Court - Garrett Park

Restricted Funds	-0-	-0-	20,000
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029. Floyd County Fiscal Court - Ishmeal Abner Caudill Park - Playground

Equipment and Blacktop Walking Track

Restricted Funds	-0-	-0-	20,000
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030. Floyd County Fiscal Court - Minnie Park - Restrooms, Sewer, and Various Improvements

Restricted Funds	-0-	10,000	10,000
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031. Floyd County Fiscal Court - Weeksbury Parks - Playground Equipment and Blacktop Walking Track

Restricted Funds	-0-	-0-	20,000
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032. City of Wheelwright - Streets and Sidewalks

Restricted Funds	-0-	15,000	15,000
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033. City of Wheelwright - Wheelwright Swimming Pool

Restricted Funds	-0-	10,000	10,000
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034. Floyd County Fiscal Court - Left Beaver Fire Department and Rescue Squad - New Building

Restricted Funds	-0-	75,000	75,000
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035. Floyd County Fiscal Court - Highland Autistic School - Autism Scholarships

Restricted Funds	-0-	75,000	75,000
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036. Floyd County Fiscal Court - Floyd County Drug Court

Restricted Funds	-0-	50,000	50,000
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037. City of Prestonsburg - Mountain Top Recreational - Repairs, Maintenance, and Renovations to Stone Crest

Restricted Funds	-0-	65,000	75,000
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038. City of Prestonsburg - Mountain Arts Center

Restricted Funds	-0-	40,000	40,000
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039. Floyd County Fiscal Court - Wayland Historical Society - Purchase Clinic, Renovation, Planning, Development, and Construction - Mountain Sports Hall of Fame

Restricted Funds	-0-	35,000	35,000
040. Floyd County Board of Education - Technology Implementation			
Restricted Funds	-0-	50,000	50,000
041. Floyd County Board of Education - Wheelwright Gym - Operating Expenses			
Restricted Funds	-0-	5,000	5,000
042. Floyd County Fiscal Court - Floyd County Offices - Establishment of Branch Office in Left Beaver Area			
Restricted Funds	-0-	48,000	50,000
043. Floyd County Fiscal Court - Bridge Deck Rte-404 toward Blue River			
Restricted Funds	-0-	-0-	30,000
044. Floyd County Fiscal Court - German Bridge Campground			
Restricted Funds	-0-	-0-	20,000
Greenup County			
001. City of South Shore - Parks and Recreation			
Restricted Funds	-0-	1,000	-0-
002. Eastern Kentucky University - Feasibility study of Aviation/Aerospace academic program at the Ashland Regional Airport in Worthington			
Restricted Funds	-0-	3,000	-0-
003. Greenup County Health Department - Ovarian Screening Project			
Restricted Funds	-0-	10,000	-0-
Hancock County			
001. Hancock County Fiscal Court - Fire and Rescue - Equipment			
Restricted Funds	-0-	-0-	38,472
002. Hancock County Fiscal Court - Water Lines - Improvements			
Restricted Funds	-0-	39,065	-0-
Harlan County			
001. Harlan County Fiscal Court - Benham Volunteer Fire Department - Equipment - Improvements			
Restricted Funds	-0-	3,000	3,000
002. Harlan County Fiscal Court - Bledsoe Volunteer Fire Department - Equipment - Improvements			
Restricted Funds	-0-	3,000	3,000
003. Harlan County Fiscal Court - Cawood Ledford Boys and Girls Club - Operations			
Restricted Funds	-0-	25,000	25,000
004. Harlan County Fiscal Court - City of Benham - Projects - Operations			
Restricted Funds	-0-	10,000	10,000
005. Harlan County Fiscal Court - City of Cumberland - Projects - Operations			

ACTS OF THE GENERAL ASSEMBLY

Restricted Funds	-0-	10,000	10,000
006. Harlan County Fiscal Court - City of Evarts - Projects - Operations			
Restricted Funds	-0-	10,000	10,000
007. Harlan County Fiscal Court - City of Harlan - Projects - Operations			
Restricted Funds	-0-	10,000	10,000
008. Harlan County Fiscal Court - City of Loyall - Projects - Operations			
Restricted Funds	-0-	10,000	10,000
009. Harlan County Fiscal Court - City of Lynch - Projects - Operations			
Restricted Funds	-0-	10,000	10,000
010. Harlan County Fiscal Court - Cloverfork Rescue Squad - Equipment			
Restricted Funds	-0-	3,000	3,000
011. Harlan County Fiscal Court - Cumberland Volunteer Fire Department - Equipment - Improvements			
Restricted Funds	-0-	3,000	3,000
012. Harlan County Fiscal Court - Debt Retirement			
Restricted Funds	-0-	690,000	700,000
013. Harlan County Fiscal Court - District 1 - Projects - Equipment			
Restricted Funds	-0-	20,000	20,000
014. Harlan County Fiscal Court - District 2 - Projects - Equipment			
Restricted Funds	-0-	20,000	20,000
015. Harlan County Fiscal Court - District 3 - Projects - Equipment			
Restricted Funds	-0-	20,000	20,000
016. Harlan County Fiscal Court - District 4 - Projects - Equipment			
Restricted Funds	-0-	20,000	20,000
017. Harlan County Fiscal Court - District 5 - Projects - Equipment			
Restricted Funds	-0-	20,000	20,000
018. Harlan County Fiscal Court - Evarts Fire Department - Equipment - Improvements			
Restricted Funds	-0-	3,000	3,000
019. Harlan County Fiscal Court - Evarts Senior Citizens - Operations - Improvements			
Restricted Funds	-0-	10,000	10,000
020. Harlan County Fiscal Court - Harlan County Pop Basketball Club - Equipment			
Restricted Funds	-0-	5,000	5,000
021. Harlan County Fiscal Court - Harlan Rescue Squad - Equipment			
Restricted Funds	-0-	3,000	3,000
022. Harlan County Fiscal Court - Harlan Volunteer Fire Department - Equipment - Improvements			

Restricted Funds	-0-	3,000	3,000
023. Harlan County Fiscal Court - Harlan/Green Hill Senior Citizens Centers - Operations - Improvements			
Restricted Funds	-0-	25,000	25,000
024. Harlan County Fiscal Court - Lower Clover Fork Volunteer Fire Department - Equipment - Improvements			
Restricted Funds	-0-	3,000	3,000
025. Harlan County Fiscal Court - Loyall Volunteer Fire Department - Equipment - Improvements			
Restricted Funds	-0-	3,000	3,000
026. Harlan County Fiscal Court - Lynch Volunteer Fire Department - Equipment - Improvements			
Restricted Funds	-0-	3,000	3,000
027. Harlan County Fiscal Court - Martins Fork Volunteer Fire Department - Equipment - Improvements			
Restricted Funds	-0-	3,000	3,000
028. Harlan County Fiscal Court - Putney Volunteer Fire Department - Equipment - Improvements			
Restricted Funds	-0-	3,000	3,000
029. Harlan County Fiscal Court - Sunshine Volunteer Fire Department - Equipment - Improvements			
Restricted Funds	-0-	3,000	3,000
030. Harlan County Fiscal Court - The Laurels - Debt Retirement			
Restricted Funds	-0-	50,000	50,000
031. Harlan County Fiscal Court - Tri-City Rescue Squad - Equipment			
Restricted Funds	-0-	3,000	3,000
032. Harlan County Fiscal Court - Tri-City Senior Citizens - Operations - Improvements			
Restricted Funds	-0-	10,000	10,000
033. Harlan County Fiscal Court - Upper Clover Fork Volunteer Fire Department - Equipment - Operations			
Restricted Funds	-0-	3,000	3,000
034. Harlan County Fiscal Court - Wallins Fellowship Center - Operations - Improvements			
Restricted Funds	-0-	10,000	10,000
035. Harlan County Fiscal Court - Wallins Volunteer Fire Department - Equipment - Improvements			
Restricted Funds	-0-	3,000	3,000

036. Harlan County Fiscal Court - Water Line -Sewer Projects

Restricted Funds	-0-	579,000	600,000
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037. Harlan County Fiscal Court - Yocum Creek Volunteer Fire Department - Equipment - Improvements

Restricted Funds	-0-	3,000	3,000
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Henderson County**001. Henderson County Fiscal Court - Audubon Park Road to Boardwalk - Improvements**

Restricted Funds	-0-	100,000	-0-
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002. Henderson County Fiscal Court - Bluegrass in the Park

Restricted Funds	-0-	10,000	-0-
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003. Henderson County Fiscal Court - County Projects

Restricted Funds	-0-	132,224	296,527
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004. Henderson County Fiscal Court - Fairgrounds - Improvements

Restricted Funds	-0-	50,000	-0-
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005. Henderson County Fiscal Court - Fire Hydrants - Improvements

Restricted Funds	-0-	50,000	50,000
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006. Henderson County Fiscal Court - HCC Surface and Underground Mining Certification Classes

Restricted Funds	-0-	23,400	23,400
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007. Henderson County Fiscal Court - WC Handy Blues Festival

Restricted Funds	-0-	10,000	-0-
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Hopkins County**001. City of Dawson Springs - Dawson Springs City Project**

Restricted Funds	-0-	50,000	-0-
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002. City of Earlington - Earlington Water Line Repair Project

Restricted Funds	-0-	50,000	50,000
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003. City of Hanson - Hanson Water Project - Improvements

Restricted Funds	-0-	50,000	-0-
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004. City of Madisonville - Madisonville Old City Building - Removal - Construction

Restricted Funds	-0-	50,000	50,000
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005. City of Mortons Gap - Mortons Gap - City Building - Improvements

Restricted Funds	-0-	50,000	50,000
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006. City of Nebo - Community Project

Restricted Funds	-0-	-0-	50,000
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007. City of Nortonville - Nortonville City Project

Restricted Funds	-0-	-0-	30,000
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008. City of Saint Charles - St. Charles City Hall and Park - Improvements

Restricted Funds	-0-	37,500	-0-
009. City of White Plains - White Plains - Water Project - Improvements			
Restricted Funds	-0-	50,000	-0-
010. Hopkins County Fiscal Court - Anton Fire Department - Equipment			
Restricted Funds	-0-	5,000	5,000
011. Hopkins County Fiscal Court - Ballard Convention Center - Upgrades			
Restricted Funds	-0-	30,000	30,000
012. Hopkins County Fiscal Court - Charleston Fire Department - Equipment			
Restricted Funds	-0-	5,000	5,000
013. Hopkins County Fiscal Court - Dawson Springs Fire Department - Equipment			
Restricted Funds	-0-	5,000	5,000
014. Hopkins County Fiscal Court - Earlington Fire Department - Equipment			
Restricted Funds	-0-	5,000	5,000
015. Hopkins County Fiscal Court - Grapevine Fire Department - Equipment			
Restricted Funds	-0-	5,000	5,000
016. Hopkins County Fiscal Court - Hanson Fire Department - Equipment			
Restricted Funds	-0-	5,000	5,000
017. Hopkins County Fiscal Court - Manitou Fire Department - Equipment			
Restricted Funds	-0-	5,000	5,000
018. Hopkins County Fiscal Court - Mortons Gap Fire Department - Equipment			
Restricted Funds	-0-	5,000	5,000
019. Hopkins County Fiscal Court - Nebo Fire Department - Equipment			
Restricted Funds	-0-	5,000	5,000
020. Hopkins County Fiscal Court - Nortonville Fire Department - Equipment			
Restricted Funds	-0-	5,000	5,000
021. Hopkins County Fiscal Court - Projects Appropriated by Fiscal Court			
Restricted Funds	-0-	200,000	200,000
022. Hopkins County Fiscal Court - Richland Fire Department - Equipment			
Restricted Funds	-0-	5,000	5,000
023. Hopkins County Fiscal Court - Roads - Equipment			
Restricted Funds	-0-	200,000	250,000
024. Hopkins County Fiscal Court - Rosenwald-Smith Center - Repairs			
Restricted Funds	-0-	30,000	30,000
025. Hopkins County Fiscal Court - South Hopkins Fire Department - Equipment			
Restricted Funds	-0-	5,000	5,000
026. Hopkins County Fiscal Court - Sports Complex - Construction			
Restricted Funds	-0-	200,000	200,000
027. Hopkins County Fiscal Court - St. Charles Fire Department - Equipment			

Restricted Funds	-0-	5,000	5,000
028. Hopkins County Fiscal Court - Unallocated Projects			
Restricted Funds	-0-	29,386	68,580
029. Hopkins County Fiscal Court - White Plains Fire Department - Equipment			
Restricted Funds	-0-	5,000	5,000
030. Madisonville Community College - School Counts - Operations			
Restricted Funds	-0-	10,000	10,000
031. Madisonville Community College - Synergy Lab			
Restricted Funds	-0-	100,000	100,000

Jackson County

001. Jackson County Fiscal Court - Flat Lick Falls Park - Construction - Playground Area - Equipment			
Restricted Funds	-0-	155,303	151,971
002. Jackson County Fiscal Court - Gray Hawk Fire Department - Equipment - Supplies			
Restricted Funds	-0-	10,000	10,000
003. Jackson County Fiscal Court - McKee Fire Department - Equipment - Supplies			
Restricted Funds	-0-	10,000	10,000
004. Jackson County Fiscal Court - Pond Creek Fire Department - Equipment - Supplies			
Restricted Funds	-0-	10,000	10,000
005. Jackson County Fiscal Court - Sand Gap Fire Department - Equipment - Supplies			
Restricted Funds	-0-	10,000	10,000

Johnson County

001. Johnson County Fiscal Court - Fire Hydrants - Improvements			
Restricted Funds	-0-	-0-	25,000
002. Johnson County Fiscal Court - Flat Gap Volunteer Fire Department - Equipment			
Restricted Funds	-0-	4,000	4,000
003. Johnson County Fiscal Court - Johnson County Rescue Squad - Equipment			
Restricted Funds	-0-	4,000	4,000
004. Johnson County Fiscal Court - Oil Springs Volunteer Fire Department - Equipment			
Restricted Funds	-0-	4,000	4,000
005. Johnson County Fiscal Court - Recreation - Operations - Equipment			
Restricted Funds	-0-	25,000	25,000
006. Johnson County Fiscal Court - Red Bush Volunteer Fire Department -			

Equipment

Restricted Funds	-0-	4,000	4,000
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007. Johnson County Fiscal Court - River Volunteer Fire Department - Equipment

Restricted Funds	-0-	4,000	4,000
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008. Johnson County Fiscal Court - Road Department - Equipment

Restricted Funds	-0-	75,000	-0-
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009. Johnson County Fiscal Court - Rockhouse Volunteer Fire Department - Equipment

Restricted Funds	-0-	4,000	4,000
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010. Johnson County Fiscal Court - Senior Citizens - Operations

Restricted Funds	-0-	50,000	50,000
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011. Johnson County Fiscal Court - Thealka Volunteer Fire Department - Equipment

Restricted Funds	-0-	4,000	4,000
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012. Johnson County Fiscal Court - Thelma Volunteer Fire Department - Equipment

Restricted Funds	-0-	4,000	4,000
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013. Johnson County Fiscal Court - Van Lear Volunteer Fire Department - Equipment

Restricted Funds	-0-	4,000	4,000
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014. Johnson County Fiscal Court - W.R. Volunteer Fire Department - Equipment

Restricted Funds	-0-	4,000	4,000
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015. Johnson County Fiscal Court - Water Lines - Improvements

Restricted Funds	-0-	100,000	100,000
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016. Johnson County Fiscal Court - West Van Lear Volunteer Fire Department - Equipment

Restricted Funds	-0-	4,000	4,000
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017. Johnson County Fiscal Court - Williamsport Volunteer Fire Department - Equipment

Restricted Funds	-0-	4,000	4,000
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Knott County**001.** Knott County Fiscal Court - Jail Bond Payment

Restricted Funds	-0-	-0-	100,000
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002. Knott County Fiscal Court - Sportsplex Bond Payment, Maintenance, Equipment, Improvements, and Operations

Restricted Funds	-0-	-0-	800,000
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003. Knott County Fiscal Court - Tourism and Economic Development Projects

Restricted Funds	-0-	-0-	225,000
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004. Knott County Fiscal Court - Various Water & Sewer Projects

Restricted Funds	-0-	-0-	350,000
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005. Knott County Fiscal Court - Volunteer Fire Department and Rescue Squads

Restricted Funds	-0-	-0-	55,000
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Knox County**001. City of Barbourville - Barbourville Police Department - Equipment - Operations**

Restricted Funds	-0-	10,000	10,000
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002. City of Barbourville - Equipment

Restricted Funds	-0-	20,000	-0-
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003. City of Barbourville - Fire Department - Equipment - Operations

Restricted Funds	-0-	10,000	10,000
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004. Knox County Board of Education - TV-4 - Equipment

Restricted Funds	-0-	-0-	10,000
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005. Knox County Fiscal Court - Appalachian Children's Home - Equipment

Restricted Funds	10,000	-0-	-0-
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006. Knox County Fiscal Court - Artemus Fire Department - Equipment - Operations

Restricted Funds	-0-	10,000	10,000
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007. Knox County Fiscal Court - Bailey Switch Fire Department - Equipment - Operations

Restricted Funds	-0-	10,000	10,000
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008. Knox County Fiscal Court - Christian Life Fellowship Food Pantry - Equipment - Operations

Restricted Funds	2,500	-0-	-0-
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009. Knox County Fiscal Court - Corbin Senior Citizens - Equipment

Restricted Funds	5,000	-0-	-0-
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010. Knox County Fiscal Court - East Knox Fire Department - Equipment - Operations

Restricted Funds	-0-	10,000	10,000
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011. Knox County Fiscal Court - Emergency Fund and Service, Inc. - Equipment

Restricted Funds	10,000	-0-	-0-
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012. Knox County Fiscal Court - Knox County Jail - Equipment

Restricted Funds	-0-	20,000	20,000
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013. Knox County Fiscal Court - Knox County Junior Football League - Equipment

Restricted Funds	2,500	-0-	-0-
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014. Knox County Fiscal Court - Knox Utility Commission - Whitley Line Extension

Restricted Funds	-0-	20,000	-0-
015. Knox County Fiscal Court - Knox/Whitley County Animal Shelter - Capital Construction			
Restricted Funds	-0-	30,000	5,000
016. Knox County Fiscal Court - Lend-A-Hand Center - Equipment - Operations			
Restricted Funds	5,000	-0-	-0-
017. Knox County Fiscal Court - Poplar Creek Fire Department - Equipment - Operations			
Restricted Funds	-0-	10,000	10,000
018. Knox County Fiscal Court - Richland Fire Department - Equipment - Operations			
Restricted Funds	-0-	10,000	10,000
019. Knox County Fiscal Court - Sheriff's Department - Cruisers - Equipment			
Restricted Funds	25,000	25,000	25,000
020. Knox County Fiscal Court - Stinking Creek Fire Department - Equipment - Operations			
Restricted Funds	-0-	10,000	10,000
021. Knox County Fiscal Court - West Knox Fire Department - Equipment - Operations			
Restricted Funds	-0-	10,000	10,000
022. Knox County Fiscal Court - Woodbine Fire Department - Equipment - Operations			
Restricted Funds	-0-	10,000	10,000
023. Knox County Utility Commission - New Water Line Extensions			
Restricted Funds	-0-	50,000	50,000

Laurel County

001. Laurel County Fiscal Court - Baldrock Fire Department - Equipment - Supplies			
Restricted Funds	-0-	7,287	7,321
002. Laurel County Fiscal Court - Bush Fire Department - Equipment - Supplies			
Restricted Funds	-0-	7,287	7,321
003. Laurel County Fiscal Court - Campground Fire Department - Equipment - Supplies			
Restricted Funds	-0-	7,287	7,321
004. Laurel County Fiscal Court - Colony Fire Department - Equipment - Supplies			
Restricted Funds	-0-	7,287	7,321
005. Laurel County Fiscal Court - Crossroad Fire Department - Equipment - Supplies			

Restricted Funds	-0-	7,287	7,321
006. Laurel County Fiscal Court - East Bernstadt Fire Department - Equipment - Supplies			
Restricted Funds	-0-	7,287	7,321
007. Laurel County Fiscal Court - Keavy Fire Department - Equipment - Supplies			
Restricted Funds	-0-	7,287	7,321
008. Laurel County Fiscal Court - Laurel County Fire Department - Equipment - Supplies			
Restricted Funds	-0-	7,287	7,321
009. Laurel County Fiscal Court - Laurel Fire Department - Equipment - Supplies			
Restricted Funds	-0-	7,287	7,321
010. Laurel County Fiscal Court - Lily County Fire Department - Equipment - Supplies			
Restricted Funds	-0-	7,287	7,321
011. Laurel County Fiscal Court - London Fire Department - Equipment - Supplies			
Restricted Funds	-0-	7,287	7,321
012. Laurel County Fiscal Court - McWhorter Fire Department - Equipment - Supplies			
Restricted Funds	-0-	7,287	7,321
013. Laurel County Fiscal Court - OPAC			
Restricted Funds	-0-	15,000	13,000
Lawrence County			
001. City of Louisa - Downtown Beautification and Improvements			
Restricted Funds	-0-	15,000	10,000
002. Lawrence County Board of Education - Facility and Ground - Improvements			
Restricted Funds	-0-	15,000	10,000
003. Lawrence County Fire Department - Seven Fire Departments - Money to be divided equally - Equipment - Improvements			
Restricted Funds	-0-	17,500	17,500
004. Lawrence County Fiscal Court - Courthouse Annex Facility - Renovations - Operations - Improvements			
Restricted Funds	-0-	40,000	37,370
005. Lawrence County Fiscal Court - Lawrence County - Water Line Extensions			
Restricted Funds	-0-	-0-	75,000
006. Lawrence County Fiscal Court - Lawrence County Parks - Improvements - Upgrades			
Restricted Funds	-0-	45,000	40,000
007. Lawrence County Fiscal Court - Recycling Center - Improvements - Equipment			

Restricted Funds	-0-	-0-	15,000
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008. Lawrence County Fiscal Court - Water Line Extensions

Restricted Funds	-0-	75,925	-0-
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Leslie County**001. City of Hyden - General Government**

Restricted Funds	-0-	80,000	60,000
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002. Leslie County Fiscal Court - Beechfork Senior Citizens operations

Restricted Funds	-0-	150,000	150,000
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003. Leslie County Fiscal Court - Coon Creek Volunteer Fire Department

Operations

Restricted Funds	-0-	10,000	10,000
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004. Leslie County Fiscal Court - Cutshin Senior Citizens Operations

Restricted Funds	-0-	150,000	150,000
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005. Leslie County Fiscal Court - Cutshin Volunteer Fire Department Operations

Restricted Funds	-0-	10,000	10,000
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006. Leslie County Fiscal Court - General Government

Restricted Funds	-0-	60,000	60,000
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007. Leslie County Fiscal Court - Hyden Senior Citizens Operations

Restricted Funds	-0-	150,000	150,000
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008. Leslie County Fiscal Court - Hyden Volunteer Fire Department Operations

Restricted Funds	-0-	10,000	10,000
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009. Leslie County Fiscal Court - Leslie County 911 operations

Restricted Funds	-0-	300,000	300,000
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010. Leslie County Fiscal Court - Stinnett Senior Citizens Operations

Restricted Funds	-0-	150,000	150,000
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011. Leslie County Fiscal Court - Stinnett Volunteer Department Operations

Restricted Funds	-0-	10,000	10,000
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012. Leslie County Fiscal Court - Thousand Sticks Volunteer Fire Department

Operations

Restricted Funds	-0-	10,000	10,000
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013. Leslie County Fiscal Court - Wooten Volunteer Fire Department Operations

Restricted Funds	-0-	10,000	10,000
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Letcher County**001. Letcher County Fiscal Court - Domestic Violence**

Restricted Funds	-0-	50,000	50,000
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002. Letcher County Fiscal Court - Letcher County Road Department, Sanitation

Department, Senior Citizen Centers, Park and Recreation, Tourism,

Maintenance, Operational - Improvements - Equipment

Restricted Funds	-0-	625,000	625,000
003. Letcher County Fiscal Court - Recreation Center - Debt Service - Operations - Improvements			
Restricted Funds	-0-	600,000	600,000
004. Letcher County Fiscal Court - Volunteer Fire Departments - Equipment - Supplies - Operations - Improvements - To be divided equally			
Restricted Funds	-0-	75,000	75,000

Magoffin County

001. Magoffin County Fiscal Court - Bloomington Volunteer Fire Department - Equipment/Infrastructure			
Restricted Funds	-0-	12,500	-0-
002. Magoffin County Fiscal Court - District 3 Volunteer Fire Department - Equipment/Infrastructure			
Restricted Funds	-0-	12,500	-0-
003. Magoffin County Fiscal Court - Magoffin County Fiscal Court - Economic Development Initiative or Tourism or Community Center			
Restricted Funds	-0-	664,416	528,722
004. Magoffin County Fiscal Court - Magoffin County Rescue Squad - Equipment/Infrastructure			
Restricted Funds	-0-	-0-	25,000
005. Magoffin County Fiscal Court - Magoffin County Sheriff's Department - Equipment/Infrastructure			
Restricted Funds	-0-	-0-	25,000
006. Magoffin County Fiscal Court - Magoffin Senior Citizens Center - Operations/Equipment			
Restricted Funds	-0-	12,500	12,500
007. Magoffin County Fiscal Court - Middle Fork Volunteer Fire Department - Equipment/Infrastructure			
Restricted Funds	-0-	12,500	-0-
008. Magoffin County Fiscal Court - North Magoffin Volunteer Fire Department - Equipment/Infrastructure			
Restricted Funds	-0-	12,500	-0-
009. Magoffin County Fiscal Court - Ramey Park - Facility Upgrades/Equipment/Maintenance			
Restricted Funds	-0-	-0-	25,000
010. Magoffin County Fiscal Court - Salyersville Fire Department - Equipment/Infrastructure			
Restricted Funds	-0-	12,500	-0-
011. Magoffin County Fiscal Court - South Magoffin Volunteer Fire Department -			

Equipment/Infrastructure

Restricted Funds	-0-	12,500	-0-
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Martin County**001.** Martin County Fiscal Court - Courthouse - Debt Service

Restricted Funds	-0-	700,000	700,000
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002. Martin County Fiscal Court - Family Resource Centers - Operations

Restricted Funds	-0-	30,000	30,000
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Menifee County**001.** Menifee County Fiscal Court - City of Frenchburg Sign

Restricted Funds	-0-	10,000	-0-
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002. Menifee County Fiscal Court - Hope Shelter - Operations

Restricted Funds	-0-	5,000	5,000
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003. Menifee County Fiscal Court - Menifee County Actors Guild

Restricted Funds	-0-	5,000	10,000
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004. Menifee County Fiscal Court - Menifee County Ambulance Retirement Fund

Restricted Funds	-0-	20,000	15,000
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005. Menifee County Fiscal Court - Menifee County Champion

Restricted Funds	-0-	5,000	5,000
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006. Menifee County Fiscal Court - Menifee County Crime Watch

Restricted Funds	-0-	2,500	2,500
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007. Menifee County Fiscal Court - Menifee County Horse Trail - Improvements

Restricted Funds	-0-	-0-	30,000
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008. Menifee County Fiscal Court - Menifee County Park - Improvements

Restricted Funds	-0-	1,500	1,500
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009. Menifee County Fiscal Court - Menifee County Senior Citizens - Blacktop - Landscaping

Restricted Funds	-0-	20,000	-0-
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010. Menifee County Fiscal Court - Menifee County Sheriff - K9

Restricted Funds	-0-	5,000	5,000
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011. Menifee County Fiscal Court - Menifee County Solid Waste Trucks

Restricted Funds	-0-	-0-	20,000
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012. Menifee County Fiscal Court - Menifee Elementary - Middle School - Security Wall

Restricted Funds	-0-	10,000	-0-
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013. Menifee County Fiscal Court - Project Worth

Restricted Funds	-0-	5,000	5,000
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014. Menifee County Fiscal Court - Senior Citizens - Operations

Restricted Funds	-0-	30,000	-0-
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Morgan County

001. City of West Liberty - Gas Line Extension - Dogwood Lane			
Restricted Funds	-0-	13,000	-0-
002. City of West Liberty - Gas Line Extension - Old Kentucky 172			
Restricted Funds	-0-	-0-	70,000
003. City of West Liberty - Gas Line Extension - Starting at City Limits at Neal Valley Along Liberty Road			
Restricted Funds	-0-	140,000	-0-
004. City of West Liberty - Gateway Homeless Shelter - Operations			
Restricted Funds	-0-	5,000	5,000
005. City of West Liberty - Sidewalk - Improvements			
Restricted Funds	-0-	-0-	25,000
006. City of West Liberty - West Liberty Fire Department - Equipment - Improvements			
Restricted Funds	-0-	32,000	32,000
007. Morgan County Fiscal Court - Eight Volunteer Fire Departments - Divided Equally - Equipment - Improvements			
Restricted Funds	-0-	40,000	-0-
008. Morgan County Fiscal Court - Food Pantry - Operations			
Restricted Funds	-0-	5,000	5,000

Muhlenberg County

001. Muhlenberg County Fiscal Court - Debt Reduction Bond Indebtedness			
Restricted Funds	-0-	755,542	744,064

Ohio County

001. Ohio County Fiscal Court - 1st District Infrastructure			
Restricted Funds	-0-	50,000	-0-
002. Ohio County Fiscal Court - 2nd District Infrastructure			
Restricted Funds	-0-	-0-	50,000
003. Ohio County Fiscal Court - 4th District Infrastructure			
Restricted Funds	-0-	50,000	50,000
004. Ohio County Fiscal Court - Centertown Area Infrastructure			
Restricted Funds	-0-	-0-	50,000
005. Ohio County Fiscal Court - Centertown/Rosine Internet			
Restricted Funds	-0-	50,000	-0-
006. Ohio County Fiscal Court - County Buildings - Renovation - Repairs - New Building			
Restricted Funds	-0-	50,000	-0-
007. Ohio County Fiscal Court - Countywide Road Improvements			
Restricted Funds	-0-	-0-	100,000

008. Ohio County Fiscal Court - Countywide - Fire Hydrants or Water Line			
District 1			
Restricted Funds	-0-	10,000	-0-
009. Ohio County Fiscal Court - Countywide - Fire Hydrants or Water Line			
District 2			
Restricted Funds	-0-	10,000	-0-
010. Ohio County Fiscal Court - Countywide - Fire Hydrants or Water Line			
District 3			
Restricted Funds	-0-	10,000	-0-
011. Ohio County Fiscal Court - Countywide - Fire Hydrants or Water Line			
District 4			
Restricted Funds	-0-	10,000	-0-
012. Ohio County Fiscal Court - Countywide - Fire Hydrants or Water Line			
District 5			
Restricted Funds	-0-	10,000	-0-
013. Ohio County Fiscal Court - Dundee Fire Department - Equipment			
Restricted Funds	-0-	10,000	-0-
014. Ohio County Fiscal Court - Hartford Fire Department - Improvements - Equipment			
Restricted Funds	-0-	-0-	25,000
015. Ohio County Fiscal Court - Hartford Infrastructure			
Restricted Funds	-0-	-0-	50,000
016. Ohio County Fiscal Court - Jail - Vehicle			
Restricted Funds	-0-	-0-	30,000
017. Ohio County Fiscal Court - McHenry Area - Improvements			
Restricted Funds	-0-	50,000	-0-
018. Ohio County Fiscal Court - Ohio County Economic Development			
Restricted Funds	-0-	150,000	100,000
019. Ohio County Fiscal Court - Ohio County Park - Improvements			
Restricted Funds	-0-	48,234	39,312
020. Ohio County Fiscal Court - Ohio County Veterans Museum - Operations			
Restricted Funds	-0-	-0-	10,000
021. Ohio County Fiscal Court - Rockport Area Infrastructure			
Restricted Funds	-0-	-0-	50,000
022. Ohio County Fiscal Court - Rosine Fire Department - Horse Branch Sub Station			
Restricted Funds	-0-	30,000	-0-
023. Ohio County Fiscal Court - Sheriff's Department - Vehicles - Equipment			

Restricted Funds	-0-	50,000	25,000
Owsley County			
001. Owsley County Board of Education - Owsley County Library			
Restricted Funds	-0-	-0-	27,032
002. Owsley County Board of Education - Owsley County School Board - Lighting and rebuilding sidewalks (safety factor)			
Restricted Funds	-0-	54,930	-0-
003. Owsley County Fiscal Court - Booneville Fire Department			
Restricted Funds	-0-	10,000	10,000
004. Owsley County Fiscal Court - Booneville Rescue Squad			
Restricted Funds	-0-	10,000	10,000
005. Owsley County Fiscal Court - Civil Center			
Restricted Funds	-0-	-0-	100,000
006. Owsley County Fiscal Court - Health Department and lot			
Restricted Funds	-0-	75,000	-0-
007. Owsley County Fiscal Court - Island City Fire Department			
Restricted Funds	-0-	10,000	10,000
008. Owsley County Fiscal Court - Vicent Fire Department			
Restricted Funds	-0-	10,000	10,000
Perry County			
001. City of Buckhorn - Operations - Maintenance			
Restricted Funds	-0-	45,000	45,000
002. City of Vicco - Operations - Maintenance			
Restricted Funds	-0-	45,000	45,000
003. Perry County Fiscal Court - Airport Maintenance and Tree Removal			
Restricted Funds	-0-	10,000	10,000
004. Perry County Fiscal Court - Animal Shelters - Supplies			
Restricted Funds	-0-	10,000	10,000
005. Perry County Fiscal Court - Care Cottage - Operations			
Restricted Funds	-0-	30,000	30,000
006. Perry County Fiscal Court - Challenger Center - Supplies			
Restricted Funds	-0-	25,000	25,000
007. Perry County Fiscal Court - Fire Department - Equipment			
Restricted Funds	-0-	65,000	65,000
008. Perry County Fiscal Court - Hazard Community Ministries - Operations			
Restricted Funds	-0-	25,000	25,000
009. Perry County Fiscal Court - Hazard Indenpdent - Supplies			
Restricted Funds	-0-	100,000	100,000
010. Perry County Fiscal Court - Homeless Shelter - Operations - Supplies			

Restricted Funds	-0-	25,000	25,000
011. Perry County Fiscal Court - Hospice - Supplies			
Restricted Funds	-0-	90,000	90,000
012. Perry County Fiscal Court - Little Flower Clinic - Operations			
Restricted Funds	-0-	30,000	30,000
013. Perry County Fiscal Court - Maintenance - Recycling - Improvements			
Restricted Funds	-0-	105,000	105,000
014. Perry County Fiscal Court - Park Improvement and Maintenance			
Restricted Funds	-0-	37,500	37,500
015. Perry County Fiscal Court - Perry County Schools - Supplies			
Restricted Funds	-0-	137,500	137,500
016. Perry County Fiscal Court - Perry County Sheriff's Department - Operations- Equipment			
Restricted Funds	-0-	45,000	45,000
017. Perry County Fiscal Court - Sewer Plant - Chavies			
Restricted Funds	-0-	180,000	180,000
018. Perry County Fiscal Court - University College of the Mountains - Supplies			
Restricted Funds	-0-	90,000	90,000
019. Perry County Fiscal Court - Water Projects - North Perry			
Restricted Funds	-0-	112,500	112,500
020. Perry County Fiscal Court - Water Projects - South Perry			
Restricted Funds	-0-	225,000	225,000

Pike County**001. Pike County Fiscal Court - Economic and Industrial Development Project****Pool**

Restricted Funds	-0-	2,445,800	2,404,100
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(1) Use of Funds: Any qualified government agency in Pike County may apply to the Department for Local Government for grants from the above project pool. Grants shall only be approved for bona fide economic and industrial development projects as prescribed by KRS 42.4588. The Department for Local Government shall consult with the Pike County legislative delegation prior to the approval of any grant agreement.

Pulaski County**001. City of Burnside - Burnside Cole Park - Infrastructure Needs**

Restricted Funds	-0-	-0-	5,000
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002. City of Burnside - Burnside Police Department - Infrastructure Needs

Restricted Funds	-0-	-0-	10,000
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003. City of Eubank - Eubank Community Park - Improvements

Restricted Funds	-0-	10,000	-0-
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004. Pulaski County Fiscal Court - Emergency Infrastructure - Local 911 Center

Restricted Funds	-0-	10,000	-0-
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**005. Pulaski County Fiscal Court - Future Development of Mt. Victory
Community Park**

Restricted Funds	-0-	-0-	35,000
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**006. Pulaski County Fiscal Court - Future Development of Pleasant Hill
Community Park**

Restricted Funds	-0-	34,631	-0-
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007. Pulaski County Fiscal Court - Woodstock Community Park - Operations

Restricted Funds	-0-	-0-	23,358
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**008. Somerset Community College - Recreational Infrastructure - Somerset
Campus**

Restricted Funds	-0-	20,000	-0-
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Rockcastle County

**001. Rockcastle County Fiscal Court - Brindle Ridge Volunteer Fire Department -
Equipment**

Restricted Funds	-0-	5,000	-0-
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**002. Rockcastle County Fiscal Court - Brodhead Depot Park - Construction on
Entertainment Stage**

Restricted Funds	-0-	10,000	10,000
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**003. Rockcastle County Fiscal Court - Brodhead Volunteer Fire Department -
Equipment**

Restricted Funds	-0-	5,000	-0-
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**004. Rockcastle County Fiscal Court - Climax Volunteer Fire Department -
Equipment**

Restricted Funds	-0-	30,000	-0-
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**005. Rockcastle County Fiscal Court - Economic Development to update Parking
Lot and Building**

Restricted Funds	-0-	12,500	12,500
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006. Rockcastle County Fiscal Court - Library - Operations

Restricted Funds	-0-	15,000	15,000
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**007. Rockcastle County Fiscal Court - Livingston Volunteer Fire Department -
Equipment**

Restricted Funds	-0-	5,000	-0-
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**008. Rockcastle County Fiscal Court - Mt. Vernon Volunteer Fire Department -
Equipment**

Restricted Funds	-0-	5,000	-0-
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009. Rockcastle County Fiscal Court - Music Hall of Fame - Audit

Restricted Funds	-0-	12,500	-0-
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010. Rockcastle County Fiscal Court - Music Hall of Fame - Business Plan

Restricted Funds	-0-	12,500	-0-
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011. Rockcastle County Fiscal Court - Music Kentucky - Operations

Restricted Funds	-0-	12,500	12,500
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012. Rockcastle County Fiscal Court - Pongo Volunteer Fire Department - Equipment

Restricted Funds	-0-	5,000	-0-
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013. Rockcastle County Fiscal Court - Recreational Fund (\$100,000 to be used with tax collected from occupational tax for Recreational Park Rehab)

Restricted Funds	-0-	50,000	50,000
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014. Rockcastle County Fiscal Court - Road Department - Equipment

Restricted Funds	-0-	15,000	15,000
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015. Rockcastle County Fiscal Court - Rockcastle E911 - Equipment

Restricted Funds	-0-	17,500	17,500
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016. Rockcastle County Fiscal Court - Rockcastle Rescue Squad - Equipment

Restricted Funds	-0-	5,000	-0-
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017. Rockcastle County Fiscal Court - Trail Town Buildings - Improvements

Restricted Funds	-0-	15,000	15,000
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018. Rockcastle County Fiscal Court - Water Line Extensions for area in Hummel (seven houses) and Lower River Road (five houses)

Restricted Funds	-0-	10,000	10,000
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019. Rockcastle County Fiscal Court - Western Volunteer Fire Department - Equipment

Restricted Funds	-0-	5,000	-0-
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Union County**001. City of Morganfield - Any Water or Sewer Repair or Extension to System**

Restricted Funds	500,000	-0-	-0-
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002. Union County Fiscal Court - Braves to College

Restricted Funds	-0-	100,000	100,000
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003. Union County Fiscal Court - County Projects

Restricted Funds	-0-	447,814	1,217,167
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004. Union County Fiscal Court - HCC Surface and Underground Mining Education Certification Classes

Restricted Funds	-0-	23,400	23,400
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005. Union County Fiscal Court - Sturgis/Union County Water District Interconnect

Restricted Funds	-0-	250,000	-0-
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006. Union County Fiscal Court - Union County Museum - Operations

Restricted Funds	-0-	40,000	-0-
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Webster County

001. City of Providence - KIA Loan Payment A90-01.05

Restricted Funds	-0-	319,000	-0-
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(1) Project Priority: The project listed above shall be funded prior to any other project listed in this section for Webster County.

002. City of Clay - Purchase Equipment

Restricted Funds	-0-	75,000	75,000
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003. City of Clay - Sewer Line - Improvements

Restricted Funds	-0-	75,000	-0-
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004. City of Dixon - Roads and Equipment

Restricted Funds	-0-	-0-	100,000
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005. City of Providence - Purchase Equipment

Restricted Funds	-0-	75,000	100,000
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006. City of Providence - Sewer and Water Improvements

Restricted Funds	-0-	75,000	75,000
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007. City of Sebree - Water and Sewer Repair or Enhancements

Restricted Funds	-0-	200,000	200,000
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008. City of Slaughters - Park Improvements and Purchase Playground Equipment

Restricted Funds	-0-	35,000	-0-
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009. City of Wheatcroft - Purchase Equipment

Restricted Funds	-0-	50,000	-0-
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010. Webster County Fiscal Court - All City/County Fire Departments - Equally

Divided - Equipment - Training

Restricted Funds	-0-	-0-	63,000
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011. Webster County Fiscal Court - Projects Appropriated by Fiscal Court

Restricted Funds	-0-	200,000	250,000
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012. Webster County Fiscal Court - Roads and Equipment

Restricted Funds	-0-	-0-	250,000
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Whitley County**001. Cedar Ridge Ministries - Supplies - Equipment - Operations**

Restricted Funds	-0-	5,000	5,000
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002. City of Corbin - Fire Department - Equipment

Restricted Funds	-0-	5,000	5,000
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003. City of Corbin - Library - Equipment

Restricted Funds	-0-	2,500	2,500
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004. City of Corbin - Police Department - Equipment

Restricted Funds	-0-	5,000	5,000
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005. City of Williamsburg - Fire Department - Equipment

Restricted Funds	-0-	5,000	5,000
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006. City of Williamsburg - Police Department - Equipment

Restricted Funds	-0-	5,000	5,000
007. City of Williamsburg - Senior Citizens Center - Equipment			
Restricted Funds	-0-	5,000	5,000
008. Corbin Independent Board of Education - Equipment and Upgrades			
Restricted Funds	-0-	10,000	10,000
009. Corbin Independent Board of Education - Youth Centers - Supplies			
Restricted Funds	-0-	4,000	-0-
010. Knox Utility Commission - Whitley Line Extension			
Restricted Funds	-0-	40,000	-0-
011. Whitley County Board of Education - Equipment and Upgrades			
Restricted Funds	-0-	10,000	10,000
012. Whitley County Fiscal Court - Animal Shelter - Capital Construction			
Restricted Funds	-0-	15,000	5,000
013. Whitley County Fiscal Court - County Jail - Equipment			
Restricted Funds	-0-	5,000	5,000
014. Whitley County Fiscal Court - Emlyn Fire Department - Equipment			
Restricted Funds	-0-	3,000	3,000
015. Whitley County Fiscal Court - Goldbug Fire Department - Equipment			
Restricted Funds	-0-	3,000	3,000
016. Whitley County Fiscal Court - Oak Grove Fire Department - Equipment			
Restricted Funds	-0-	3,000	3,000
017. Whitley County Fiscal Court - Patterson Creek Fire Department - Equipment			
Restricted Funds	-0-	3,000	3,000
018. Whitley County Fiscal Court - Pleasant View Fire Department - Equipment			
Restricted Funds	-0-	3,000	3,000
019. Whitley County Fiscal Court - Rockhold Fire Department - Equipment			
Restricted Funds	-0-	3,000	3,000
020. Whitley County Fiscal Court - South Whitley Fire Department - Equipment			
Restricted Funds	-0-	3,000	3,000
021. Whitley County Fiscal Court - Whitley County Library - Equipment			
Restricted Funds	-0-	2,500	2,500
022. Whitley County Fiscal Court - Whitley County Sheriff's Department - Equipment			
Restricted Funds	-0-	5,000	5,000
023. Williamsburg Independent Board of Education - Equipment and Upgrades			
Restricted Funds	-0-	10,000	10,000
024. Williamsburg Independent Board of Education - Youth Center - Supplies			
Restricted Funds	-0-	2,000	-0-

025. Williamsburg Independent Board of Education - Youth Centers - Supplies

Restricted Funds	-0-	18,000	-0-
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Wolfe County**001. City of Campton - Campton City Park - Improvements**

Restricted Funds	-0-	-0-	5,000
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002. City of Campton - Water Improvements

Restricted Funds	-0-	-0-	25,000
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003. Wolfe County Board of Education - Red River Elementary - Employee Retainment

Restricted Funds	-0-	20,000	-0-
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004. Wolfe County Board of Education - Rogers Elementary - Building Addition

Restricted Funds	-0-	14,000	-0-
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005. Wolfe County Board of Education - Rogers Elementary Computer Change Out

Restricted Funds	-0-	4,000	2,000
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006. Wolfe County Board of Education - Wolfe County Boys Athletics - Supplies - Equipment

Restricted Funds	-0-	2,000	1,500
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007. Wolfe County Board of Education - Wolfe County Girls Athletics - Supplies - Equipment

Restricted Funds	-0-	2,000	1,500
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008. Wolfe County Board of Education - Wolfe County Middle School Athletics - Supplies - Equipment

Restricted Funds	-0-	2,000	1,500
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009. Wolfe County Board of Education - Wolfe County Teacher Enrichment Retention

Restricted Funds	-0-	15,000	5,000
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010. Wolfe County Fiscal Court - Adult Community Education

Restricted Funds	-0-	10,000	5,000
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011. Wolfe County Fiscal Court - American Legion - Operations

Restricted Funds	-0-	2,500	2,500
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012. Wolfe County Fiscal Court - City of Campton Fire Department - Equipment - Supplies

Restricted Funds	-0-	10,000	10,000
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013. Wolfe County Fiscal Court - County Garage - Improvements - Upgrades

Restricted Funds	-0-	10,000	10,000
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014. Wolfe County Fiscal Court - Hazel Green Fire Department - Equipment - Supplies

Restricted Funds	-0-	10,000	10,000
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015. Wolfe County Fiscal Court - Hazel Green Park Project			
Restricted Funds	-0-	15,000	10,000
016. Wolfe County Fiscal Court - Hazel Green/Lee City Fire Department - Equipment - Supplies			
Restricted Funds	-0-	10,000	10,000
017. Wolfe County Fiscal Court - Lacey Creek, Amburgey Fork, Johnson Fork, and Perkins Fork - Water Line Improvements			
Restricted Funds	-0-	40,000	-0-
018. Wolfe County Fiscal Court - Salt Supplies			
Restricted Funds	-0-	5,000	5,000
019. Wolfe County Fiscal Court - Search and Rescue - Supplies - Equipment			
Restricted Funds	-0-	3,000	3,000
020. Wolfe County Fiscal Court - Silver Mine Festival - Supplies - Equipment			
Restricted Funds	-0-	5,000	5,000
021. Wolfe County Fiscal Court - Wolfe County American Legion - Operations			
Restricted Funds	-0-	2,500	2,500
022. Wolfe County Fiscal Court - Wolfe County Community Park - Improvements			
Restricted Funds	-0-	7,500	7,500
023. Wolfe County Fiscal Court - Wolfe County Jailer - Supplies - Equipment			
Restricted Funds	-0-	10,000	10,000
024. Wolfe County Fiscal Court - Wolfe County Library - Operations			
Restricted Funds	-0-	2,500	2,500
025. Wolfe County Fiscal Court - Wolfe County Senior Citizens - Operations			
Restricted Funds	-0-	10,000	10,000
026. Wolfe County Fiscal Court - Wolfe County Sheriff - Supplies - Equipment			
Restricted Funds	-0-	5,000	7,500
027. Wolfe County Fiscal Court - Wolfe County Tourism - Operations			
Restricted Funds	-0-	2,500	2,500

PART III

GENERAL PROVISIONS

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

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

which a specified appropriation is made in this Act. All receipts of Restricted Funds shall be deposited in the State Treasury and credited to the proper account as provided in KRS Chapters 12, 42, 45, and 48.

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

2. Expenditure of Excess Restricted Funds or Federal Funds Receipts: If receipts received or credited to the Restricted Funds accounts or Federal Funds accounts of a budget unit during fiscal year 2014-2015 or fiscal year 2015-2016, and any balance forwarded to the credit of these same accounts from the previous fiscal year, exceed the appropriation made by specific sum for these accounts of the budget unit as provided in Part I, Operating Budget, of this Act, for the fiscal year in which the excess occurs, the excess funds in the accounts of the budget unit shall become available for expenditure for the purpose of the account during the fiscal year only upon compliance with the conditions and procedures specified in KRS 48.400, 48.500, 48.600, 48.605, 48.610, 48.620, 48.630, 48.730, and 48.800, and with the authorization of the State Budget Director and approval of the Secretary of the Finance and Administration Cabinet.

Prior to authorizing the appropriation of any excess, unbudgeted Restricted Funds pursuant to this section, the State Budget Director and the Secretary of the Finance and Administration Cabinet shall review the adequacy of the General Fund Surplus Account with respect to its availability to support authorized expenditures from the General Fund Surplus Account, known as Necessary Government Expenses. If General Fund Surplus Account moneys are determined by this review to be adequate to meet known or anticipated Necessary Government Expenses during fiscal year 2014-2015 or fiscal year 2015-2016, respectively, then the appropriation increase may be approved. If the review indicates that there are insufficient funds available or reasonably estimated to become available to the General Fund Surplus Account to meet known or projected Necessary Government Expenses for the fiscal years enumerated above, the State Budget Director and the Secretary of the Finance and Administration Cabinet may disapprove the request for additional Restricted Funds expenditure authority and may direct the excess Restricted Funds identified to the General Fund Surplus Account in order to meet Necessary Government Expense obligations. The results of any review shall be reported to the Interim Joint Committee on Appropriations and Revenue in accordance with KRS 48.400, 48.500, 48.600, 48.605, 48.610, 48.620, 48.630, 48.730, and 48.800.

Any request made by a budget unit pursuant to KRS 48.630 that relates to Restricted Funds or Federal Funds shall include documentation showing a comparative statement of revised estimated receipts by fund source and the proposed expenditures by proposed use, with the appropriated sums specified in the Budget of the Commonwealth, and statements which explain the cause, source, and use for any variances which may exist.

Each budget unit shall submit its reports in print and electronic format consistent with the Restricted Funds and Federal Funds records contained in the fiscal biennium 2014-2016 Branch Budget Request Manual and according to the following schedule in each fiscal year: (a) On or before the beginning of each fiscal year; (b) On or before October 1; (c) On or before January 1; and (d) On or before April 1.

3. Interim Appropriation Increases: No appropriation from any fund source shall exceed the sum specified in this Act until the agency has documented the necessity, purpose, use, and source, and the documentation has been submitted to the Interim Joint Committee on Appropriations and Revenue for its review and action in accordance with KRS 48.630. Proposed revisions to an appropriation contained in the enacted Executive Budget or allotment of an unbudgeted appropriation shall conform to the conditions and procedures of KRS 48.630 and this Act.

Notwithstanding KRS 48.630(3), (4), and (5), any proposed and recommended actions to increase appropriations for funds specified in Section 2. of this Part shall be scheduled consistent with the timetable contained in that section in order to provide continuous and timely budget information.

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

5. Appropriations Expenditure Purpose and Transfer Restrictions: Funds appropriated in this Act shall not be expended for any purpose not specifically authorized by the General Assembly in this Act nor shall funds appropriated in this Act be transferred to or between any cabinet, department, board, commission, institution, agency, or budget unit of state government unless specifically authorized by the General Assembly in this Act and KRS

48.400, 48.500, 48.600, 48.605, 48.610, 48.620, 48.630, 48.700, 48.705, 48.710, 48.720, 48.730, 48.800, and 48.810. Compliance with the provisions of this section shall be reviewed and determined by the Interim Joint Committee on Appropriations and Revenue.

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

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

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

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

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

11. Construction of Budget Provisions on Statutory Budget Administration Powers and Duties: Nothing in this Act is to be construed as amending or altering Chapters 42, 45, and 48 of the Kentucky Revised Statutes pertaining to the duties and powers of the Secretary of the Finance and Administration Cabinet except as otherwise provided in this Act.

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

13. Publication of the Budget of the Commonwealth: The State Budget Director shall cause the Governor's Office for Policy and Management, within 60 days of adjournment of the 2014 Regular Session of the General Assembly, to publish a final enacted budget document, styled the Budget of the Commonwealth, based upon the Legislative Budget, Executive Budget, Transportation Cabinet Budget, and Judicial Budget as enacted by the 2014 Regular Session, as well as other Acts which contain appropriation provisions for the 2014-2016 fiscal biennium, and based upon supporting documentation and legislative records as considered by the 2014 Regular Session. This document shall include, for each agency and budget unit, a consolidated budget summary statement of available regular and continuing appropriated revenue by fund source, corresponding appropriation allocations by program or subprogram as appropriate, budget expenditures by principal budget class, and any other fiscal data and commentary considered necessary for budget execution by the Governor's Office for Policy and Management and oversight by the Interim Joint Committee on Appropriations and Revenue. The enacted Executive Budget and Transportation Cabinet Budget shall be revised or adjusted only upon approval by the Governor's Office for Policy and Management as provided in each Part of this Act and by KRS 48.400, 48.500, 48.600, 48.605, 48.610, 48.620, 48.630, 48.700, 48.705, 48.710, 48.720, 48.730, 48.800, and 48.810, and upon review and action by the Interim Joint Committee on Appropriations and Revenue.

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

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

16. Construction of Budget Provisions Regarding Executive Reorganization Orders: Nothing in this Act shall be construed to confirm or ratify, under KRS 12.027 or 12.028, any executive reorganization order unless

the executive order was confirmed or ratified by appropriate amendment to the Kentucky Revised Statutes in another Act of the 2014 Regular Session of the General Assembly. If any executive reorganization order issued from the sine die adjournment of the 2013 Regular Session to the sine die adjournment of the 2014 Regular Session was not confirmed by the 2014 Regular Session of the General Assembly, the Secretary of the Finance and Administration Cabinet shall, in consultation with agency heads and with notification to the Legislative Research Commission, transfer the balance of funds for any affected program or function for fiscal year 2013-2014 and any related appropriations and funds for each of the next two fiscal years from the budget unit in which the program or function was placed by the executive reorganization order to the budget unit in which the program or function resided prior to the reorganization action or in which it was placed by action of the 2014 Regular Session of the General Assembly.

17. Budget Planning Report: By August 15, 2015, the State Budget Director, in conjunction with the Consensus Forecasting Group, shall provide to each branch of government, pursuant to KRS 48.120, a budget planning report.

18. Tax Expenditure Revenue Loss Estimates: By November 30, 2015, the Office of State Budget Director shall provide to each branch of government detailed estimates for the General Fund and Road Fund for the current and next two fiscal years of the revenue loss affected by tax expenditures. The Department of Revenue shall provide assistance and furnish data which is not restricted by KRS 131.190. "Tax expenditure" as used in this section means an exemption, exclusion, or deduction from the base of a tax, a credit against the tax, a deferral of a tax, or a preferential tax rate. The estimates shall include for each tax expenditure the amount of revenue loss, a citation of the legal authority for the tax expenditure, the year in which it was enacted, and the tax year in which it became effective.

19. Duplicate Appropriations: Any appropriation item and sum in Parts I to X of this Act and in an appropriation provision in any Act of the 2014 Regular Session which constitutes a duplicate appropriation shall be governed by KRS 48.312.

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

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

22. Unclaimed Lottery Prize Money: For fiscal year 2014-2015 and fiscal year 2015-2016, all unclaimed lottery prize money under KRS 154A.110(3) shall be credited to the Kentucky Educational Excellence Scholarship Reserve Account to be held as a subsidiary account within the Finance and Administration Cabinet for the purpose of funding the KEES Program as appropriated in this Act. If the Kentucky Higher Education Assistance Authority certifies to the State Budget Director that the appropriations in this Act for the KEES Program under the existing award schedule are insufficient to meet funds required for eligible applicants, then the State Budget Director shall provide the necessary allotment of funds in the balance of the KEES Reserve Account to fund the KEES Program. Actions taken under this section shall be reported to the Interim Joint Committee on Appropriations and Revenue on a timely basis.

23. Workers' Compensation: Notwithstanding KRS 342.340(1) or any other provision of law, public sector self-insured employers are not required to deposit funds as security, indemnity, or bond to secure the payment of compensation liabilities, provided that each public sector employer has the authority to impose taxes or raise tuition in an amount sufficient to recoup payments of compensation liabilities as they are incurred. Notwithstanding KRS 342.340(1) and 803 KAR 25:021, Section 5, the Personnel Cabinet shall be exempt from procuring excess risk insurance in fiscal year 2014-2015 and fiscal year 2015-2016 for the Workers' Compensation Benefits and Reserve program administered by the Cabinet.

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

25. Carry Forward and Undesignated General Fund and Road Fund Carry Forward: Notwithstanding KRS 48.700, 48.705, and other Parts of this Act, the Secretary of the Finance and Administration Cabinet shall determine and certify within 30 days of the close of fiscal year 2013-2014 and fiscal year 2014-2015 the actual amount of undesignated balance of the General Fund and the Road Fund for the year just ended. The amounts from the undesignated fiscal year 2013-2014 and fiscal year 2014-2015 General Fund and Road Fund balances that are designated and carried forward for budgeted purposes in the 2014-2016 fiscal biennium shall be determined by the State Budget Director during the close of the respective fiscal year and shall be reported to the

Interim Joint Committee on Appropriations and Revenue within 30 days of the close of the fiscal year. Any General Fund undesignated balance in excess of the amount designated for budgeted purposes under this section shall be made available for the General Fund Surplus Expenditure Plan contained in Part VII of this Act unless otherwise provided in this Act. The Road Fund undesignated balance in excess of the amount designated for budgeted purposes under this section shall be made available for the Road Fund Surplus Expenditure Plan contained in Part IX of this Act unless otherwise provided in this Act. ~~[On June 30, 2016, the Secretary of the Finance and Administration Cabinet shall estimate the General Fund receipts for fiscal year 2015-2016, and an amount equal to the estimated fiscal year 2015-2016 General Fund receipts in excess of \$10,067,223,600 net of the necessary adjustment for severance taxes shall be transferred to the Budget Reserve Trust Fund Account (KRS 48.705). All amounts transferred to the Budget Reserve Trust Fund Account (KRS 48.705) under this subsection shall be reported to the Interim Joint Committee on Appropriations and Revenue within 30 days of the date of the transfer.]~~ Any General Fund undesignated balance in excess of the amount designated for budgeted purposes ~~[and the amount transferred to the Budget Reserve Trust Fund Account (KRS 48.705)]~~ under this subsection shall be made available for the General Fund Surplus Expenditure Plan contained in Part VII of this Act unless otherwise provided in this Act. The Road Fund undesignated balance in excess of the amount designated for budgeted purposes under this subsection shall be made available for the Road Fund Surplus Expenditure Plan contained in Part IX of this Act unless otherwise provided in this Act.

26. Next Generation Kentucky Information Highway Fund: The Next Generation Kentucky Information Highway Fund is established within the Finance and Administration Cabinet. All funds appropriated for network connections and services within the Executive Branch shall be deposited within the Fund and used to support the financing and operations of the capital project in Part II, F., 1., 001. of this Act. Upon approval of the Kentucky Board of Education and the Council on Postsecondary Education, the Secretary of the Finance and Administration Cabinet may utilize funds appropriated to the Department of Education and the Council on Postsecondary Education for network connections and services necessary to support the financing and operations of the capital project in Part II, F., 1., 001. of this Act. Some or all of those funds shall be deposited within the Next Generation Kentucky Information Highway Fund.

27. Budget Implementation: The General Assembly directs that the Executive Branch shall carry out all appropriations and budgetary language provisions as contained in the State/Executive Budget. The Legislative Research Commission shall review quarterly expenditure data to determine if an agency is out of compliance with this directive. If the Legislative Research Commission suspects that any entity has acted in non-conformity with this section, the Legislative Research Commission may order an audit or review at the agency's expense. Such audit findings, reviews, and reports shall be subject to the Kentucky Open Records law.

28. Information Technology: All authorized computer information technology projects shall submit a semiannual progress report to the Interim Joint Committee on Appropriations and Revenue. The reporting process shall begin six months after the project is authorized and shall continue through completion of the project. The initial report shall establish a timeline for completion and cash disbursement schedule. Each subsequent report shall update the timeline and budgetary status of the project and explain in detail any issues with completion date and funding.

~~**29. Lottery Dividends:** In fiscal year 2014-2015, excluding the funds transfer amount in Part V, F., 4. of this Act, any lottery proceeds in excess of \$238,000,000 received by the Commonwealth, except unclaimed prize money pursuant to KRS 154A.110(3), shall be deposited in the Budget Reserve Trust Fund Account (KRS 48.705). In fiscal year 2015-2016, any lottery proceeds in excess of \$251,500,000 received by the Commonwealth, except unclaimed prize money pursuant to KRS 154A.110(3), shall be deposited in the Budget Reserve Trust Fund Account (KRS 48.705).~~

~~**30. Executive Branch Budget Recommendation:** The Executive Branch budget recommendation submitted pursuant to KRS 48.110(6) for the 2016-2018 fiscal biennium shall contain, for all budget units not including the budget units within the Transportation Cabinet, total Road Fund appropriations not exceeding six and one-half percent of the official revenue estimate made by the Consensus Forecasting Group for the Road Fund for each fiscal year, or \$101,500,000 in each year, whichever is the lesser amount. All other Road Fund appropriations shall be contained in the Transportation Cabinet budget recommendation submitted pursuant to KRS 48.110(6)(f).]~~

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

32. Equipment Service Contracts and Energy Efficiency Measures: The General Assembly mandates that the Finance and Administration Cabinet review all equipment service contracts to maximize savings to the

Commonwealth to strictly adhere to the provisions of KRS 56.722, 56.782, and 56.784 in maximizing the use of energy efficiency measures.

33. Kentucky Wine and Vine Fest: The Kentucky Wine and Vine Fest of Nicholasville, Kentucky, is named and designated as the official state wine festival.

34. Debt Restructuring: Notwithstanding any other provision of the Kentucky Revised Statutes, no General Fund or Road Fund debt restructuring transactions shall be undertaken during the 2014-2016 fiscal biennium.

~~**[35. Language Provisions:** Any language provision in this Act that expresses legislative intent regarding a specific appropriation shall be expended only for the purposes outlined in that language provision. Any funds not expended for that specific purpose shall be transferred to the Budget Reserve Trust Fund Account (KRS 48.705) by June 30 of each fiscal year.]~~

36. Fiscal Year 2015-2016 Funds Expenditure Restriction: Except in the case of a declared emergency, the Governor, all agency heads, and all other constitutional officers shall not expend or encumber in the aggregate more than 55 percent of the funds appropriated by this Act during the first half of fiscal year 2015-2016.

37. Unexpended Debt Service: Notwithstanding KRS 48.720, any General Fund moneys appropriated for debt service in fiscal years 2014-2015 and 2015-2016 that are not expended specifically for debt service shall be transferred to the Budget Reserve Trust Fund Account (KRS 48.705).

38. Affordable Care Act: The Governor of Kentucky, through the promulgation of administrative regulations and executive orders, has implemented the provisions of the Affordable Care Act (ACA) in the Commonwealth. Subsequent to these Executive Branch actions, no executive order related to the ACA has been codified by the General Assembly, nor has any administrative regulation related to the ACA been approved by a vote of the majority of the members of a legislative committee. Providing that the Governor continues unilateral implementation and operation of the ACA in the Commonwealth, the General Assembly shall limit the ACA's impact on the 2014-2016 State/Executive Branch Budget and future biennial budgets so as not to bind future General Assemblies. Therefore, no provision within this Act shall be deemed, adjudged, or constructed as being a recognition, finding, or admission of the General Assembly's approval of the operation of the ACA in Kentucky.

39. Health Benefit Exchange: The appropriations contained within this Act are for the sole purpose of the operations of the Executive Branch of government. There are no General Fund appropriations for the Affordable Care Act, and specifically, no General Fund dollars are appropriated for any expenditure in operating or maintaining the Health Benefit Exchange. The Governor is expressly prohibited from expending any General Fund resources on any expenditure directly or indirectly associated with the Health Benefit Exchange.

40. Medicaid Funding: Notwithstanding any statute or regulation to the contrary, if the Medicaid funding schedule for newly eligible individuals provided in 42 U.S.C. sec. 1396d(y)(1) as it existed on January 1, 2014, is modified to require any increased state funding, all Medicaid services and eligibility standards for those services shall return to the levels of service and eligibility standards in effect on January 1, 2013.

41. Affordable Care Act - Use of Funds: The General Assembly recognizes that the Kentucky Revised Statutes provide certain discretion to the Governor to make application for, and expend federal funding for, Kentucky's Medicaid Program. As the only body in the Commonwealth with the constitutional power to make appropriations, the General Assembly recognizes that federal funding for the expansion of Kentucky's Medicaid Program is not recurring in nature; therefore, the intent of the General Assembly is that funds received from the Affordable Care Act, or its successor, shall not be used to permanently expand existing programs, permanently create new programs, or in any way increase the requirements to be placed on the General Fund or Road Fund above the adjusted appropriation level as of June 30, 2014.

42. Effects of Subsequent Legislation: If any measure enacted during the 2014 Regular Session of the General Assembly subsequent to this Act contains an appropriation or is projected to increase or decrease General Fund revenues, the amount in the Budget Reserve Trust Fund shall be revised to accommodate the appropriation or the reduction or increase in projected revenues. Notwithstanding any provision of KRS 48.120(4) and (5) to the contrary, the official enacted revenue estimates of the Commonwealth described in KRS 48.120(5) shall be adjusted at the conclusion of the 2014 Regular Session of the General Assembly to incorporate any projected revenue increases or decreases that will occur as a result of actions taken by the General Assembly subsequent to the passage of this Act by both chambers.

43. Appropriation of Budget Reserve Trust Fund: Pursuant to KRS 48.705, \$12,043,400 in fiscal year 2015-2016 from the Budget Reserve Trust Fund is available to be appropriated by the General Assembly in this Act.

44. Debt Service Template Interest Rates: Appropriated amounts for debt service for new debt and currently authorized but unissued debt assume a five percent tax-exempt interest rate and a six percent taxable interest rate for 20 years and a four and one-half percent tax-exempt interest rate and a four and one-half percent taxable interest rate for ten years. This language provision shall not apply in cases in which the debt service amount for a project is not calculated using the template provided by the Finance and Administration Cabinet's Office of Financial Management, or the debt service amount is based on specific terms or interest rates.

PART IV

STATE SALARY/COMPENSATION, BENEFIT, AND EMPLOYMENT POLICY

1. Authorized Personnel Complement: On July 1, 2014, the Personnel Cabinet and the Office of State Budget Director shall establish a record for each budget unit of authorized permanent full-time and other positions based upon the enacted Executive Budget of the Commonwealth and any adjustments authorized by provisions in this Act. The total number of filled permanent full-time and all other positions shall not exceed the authorized complements pursuant to this section. An agency head may request an increase in the number of authorized positions to the State Budget Director. Upon approval, the Secretary of the Personnel Cabinet may authorize the employment of individuals in addition to the authorized complement. A report of the actions authorized in this section shall be provided to the Interim Joint Committee on Appropriations and Revenue on a monthly basis.

2. Salary Adjustments: Notwithstanding KRS 18A.355 and KRS 156.808(6)(e) and (12), a salary adjustment amounting to a percentage value on the base salary or wages of each eligible full-time and part-time employee on his or her anniversary date is provided in fiscal year 2014-2015. The amount of salary adjustment is determined by each eligible employee's annual base salary or wages on his or her anniversary date, and the following table reflects the percentage of the salary adjustment for fiscal year 2014-2015:

Annual Base Salary or Wages	2014-15
\$0 to \$27,000.00	5%
\$27,000.01 to \$36,000.00	3%
\$36,000.01 to \$50,000.00	2%
\$50,000.01 and above	1%

In fiscal year 2015-2016, a cost-of-living adjustment of one percent is provided on the base salary or wages of each state employee on his or her anniversary date.

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

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

5. State Group Health Insurance Plan – Plan Year Closure: Notwithstanding KRS 18A.2254, Plan Years 2010 and 2011 shall be considered closed as of December 31, 2013, and all balances from those plan years shall be transferred to Plan Year 2012. All other income and expenses attributable to the closed plan years shall be deposited in or charged to the Plan Year 2012 account after that date. This section shall apply retroactively to December 31, 2013, and any action to the contrary shall be considered null and void.

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

7. Employer Retirement Contribution Rates: Pursuant to KRS 61.565 and 61.702, the employer contribution rates for Kentucky Employees Retirement Systems from July 1, 2014, through June 30, 2016, shall be 38.77 percent, consisting of 30.84 percent for pension and 7.93 percent for insurance for nonhazardous duty employees and 26.34 percent, consisting of 16.37 percent for pension and 9.97 percent for insurance for hazardous duty employees; for the same period the employer contribution for employees of the State Police Retirement System shall be 75.76 percent, consisting of 53.90 percent for pension and 21.86 percent for insurance. The rates above apply to wages and salaries earned for work performed during the described period regardless of when the employee is paid for the time worked.

8. Issuance of Paychecks to State Employees: Notwithstanding 101 KAR 2:095, Section 10, the state payroll that would normally be scheduled to be paid on June 30, 2015, and June 30, 2016, shall not be issued prior to July 1, 2015, and July 1, 2016.

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

PART V

FUNDS TRANSFER

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

Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2014-2015 and fiscal year 2015-2016:

	2013-14	2014-15	2015-16
A. GENERAL GOVERNMENT			
1. Kentucky Infrastructure Authority			
Agency Revenue Fund	-0-	615,200	-0-
2. Military Affairs			
Agency Revenue Fund	-0-	1,500,000	-0-
3. Military Affairs			
Other Special Revenue Fund (KRS 39E.050(3))	-0-	450,000	-0-
4. Department for Local Government			
Other Special Revenue Fund	-0-	110,800	-0-
5. Secretary of State			
Agency Revenue Fund	-0-	1,300,000	1,300,000
6. Accountancy			
Agency Revenue Fund (KRS 325.250)	-0-	150,000	100,000
7. Auctioneers			
Recovery Fund (KRS 330.192)	-0-	-0-	50,000
8. Chiropractic Examiners			
Agency Revenue Fund	-0-	50,000	-0-
9. Licensure for Professional Engineers and Land Surveyors			
Agency Revenue Fund (KRS 322.420)	-0-	50,000	-0-
10. Hairdressers and Cosmetologists			

	Agency Revenue Fund	-0-	100,000	100,000
	(KRS 317A.080(2))			
11. Medical Licensure				
	Agency Revenue Fund	-0-	250,000	250,000
	(KRS 311.610)			
12. Licensure for Occupational Therapy				
	Agency Revenue Fund	-0-	50,000	-0-
13. Pharmacy				
	Agency Revenue Fund	-0-	100,000	100,000
	(KRS 315.195)			
14. Physical Therapy				
	Agency Revenue Fund	-0-	50,000	50,000
	(KRS 327.080(1))			
15. Real Estate Appraisers				
	Agency Revenue Fund	-0-	50,000	50,000
16. Real Estate Commission				
	Recovery Fund	-0-	100,000	50,000
	(KRS 324.410)			
17. Social Work				
	Agency Revenue Fund	-0-	50,000	-0-
	(KRS 335.140)			

B. ECONOMIC DEVELOPMENT CABINET

1. Economic Development				
	Other Special Revenue Fund	-0-	435,000	435,000

Balances remaining in the Special Revenue Fund accounts after all appropriations authorized in this Act shall lapse to the General Fund Surplus Account at the end of each fiscal year.

C. DEPARTMENT OF EDUCATION

1. Operations and Support Services				
	Agency Revenue Fund	-0-	250,000	-0-
2. Operations and Support Services				
	Other Special Revenue Fund	-0-	150,000	-0-

D. EDUCATION AND WORKFORCE DEVELOPMENT CABINET

1. Direct Local Aid				
	Agency Revenue Fund	-0-	300,000	-0-
	(KRS 142.010(5))			
2. Education Professional Standards Board				
	Agency Revenue Fund	-0-	600,000	-0-

E. ENERGY AND ENVIRONMENT CABINET

1. Secretary				
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Kentucky Heritage Land

Conservation Fund	-0-	5,000,000	3,000,000
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(KRS 146.570)

2. Secretary

Kentucky Pride Trust Fund	-0-	2,006,300	2,006,300
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Pursuant to KRS 224.43-505(2)(a)3., these funds transfers to the General Fund support the General Fund debt service on the bonds sold as appropriated by 2003 Ky. Acts ch. 156, Part II, A., 3., c.

3. Environmental Protection

Insurance Administration Fund	-0-	7,477,000	7,723,000
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(KRS 224.60-130, 224.60-140, and 224.60-145)

4. Natural Resources

Equipment Loans Revolving Loan

Fund	-0-	1,125,000	-0-
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(KRS 262.640)

5. Environmental Quality Commission

Agency Revenue Fund	-0-	288,100	293,200
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(KRS 224.01-100 to 224.01-115)

6. Public Service Commission

Telecommunication Relay Service

Fund	-0-	2,400,000	-0-
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(KRS 278.5499)

F. FINANCE AND ADMINISTRATION CABINET**1. General Administration**

Agency Revenue Fund	-0-	-0-	1,000,000
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2. General Administration

Other Special Revenue Fund	-0-	1,247,900	2,495,700
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3. Revenue

Agency Revenue Fund	-0-	6,000,000	-0-
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(KRS 132.672(1) and 134.552(2))

4. Kentucky Lottery Corporation

Kentucky Lottery Corporation	-0-	11,000,000	-0-
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(KRS 154A.130 (3) and (4))

Notwithstanding KRS 154A.130 (3) and (4), the funds transfer included above shall be deposited to the credit of the General Fund. The funds transfer shall be transferred from the net unrestricted reserves held by the Kentucky Lottery Corporation, as identified in the Kentucky Lottery Annual Financial Report, June 30, 2013.

G. HEALTH AND FAMILY SERVICES CABINET**1. General Administration and Program Support**

Malt Beverage Education Fund	-0-	500,000	500,000
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2. Health Benefit Exchange

Trust Fund	3,100,000	-0-	-0-
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(KRS 304.17B-021(10))

H. JUSTICE AND PUBLIC SAFETY CABINET**1. Criminal Justice Training**

Agency Revenue Fund	-0-	10,530,000	11,000,000
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(KRS 15.430 and 136.392(2))

2. Criminal Justice Training

Agency Revenue Fund	-0-	3,000,000	-0-
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3. Juvenile Justice

Agency Revenue Fund	-0-	3,000,000	-0-
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I. PERSONNEL CABINET**1. General Operations**

Agency Revenue Fund	-0-	2,692,400	2,688,900
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These fund transfers to the General Fund support General Fund debt service on bonds sold for the new Personnel/Payroll system.

2. Workers' Compensation Benefits and Reserve

Agency Revenue Fund	-0-	2,000,000	-0-
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(KRS 18A.375(3))

3. Public Employee Health Trust Fund

Enterprise Fund	-0-	93,000,000	-0-
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(KRS 18A.2254(3))

This fund transfer to the General Fund partially supports the salary increases for Local School District Certified and Classified employees as recommended in Part I, C., 1., (3) of this Act and for full-time and part-time employees of the Executive Branch as set out in Part IV, 3. of this Act.

J. POSTSECONDARY EDUCATION**1. Council on Postsecondary Education**

Agency Revenue Fund	-0-	500,000	-0-
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2. Kentucky Higher Education Assistance Authority

Other Special Revenue Fund	-0-	200,000	200,000
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(KRS 164.7891(11))

3. Kentucky Community and Technical College System

Agency Revenue Fund	-0-	10,000,000	5,000,000
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(KRS 95A.220, 95A.262, and 136.392(2))

4. Kentucky Community and Technical College System

Other Special Revenue Fund	-0-	8,000,000	-0-
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(KRS 95A.262(14))

K. PUBLIC PROTECTION CABINET**1. Alcoholic Beverage Control**

Agency Revenue Fund (KRS 243.025(3))	-0-	700,000	700,000
2. Financial Institutions			
Agency Revenue Fund (KRS 286.01-485)	-0-	6,500,000	6,000,000
3. Horse Racing Commission			
Agency Revenue Fund (KRS 138.510 and 230.265)	-0-	1,000,000	-0-
4. Insurance			
Agency Revenue Fund (KRS 304.2-300(1) and (4), 304.2-400, and 304.2-440(4))	-0-	23,250,000	21,750,000
L. TOURISM, ARTS AND HERITAGE CABINET			
1. Secretary			
Agency Revenue Fund (KRS 142.406(2) and (3))	-0-	6,000,000	3,000,000
2. Arts Council			
Agency Revenue Fund (KRS 153.220(8))	-0-	600,000	-0-
TOTAL - FUNDS TRANSFER	3,100,000	214,727,700	69,842,100

PART VI**GENERAL FUND BUDGET REDUCTION PLAN**

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

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

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

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

(2) Transfers of excess unappropriated Restricted Funds, notwithstanding any statutes to the contrary, other than fiduciary funds, to the General Fund shall be applied as determined by the head of each branch for its respective budget units. No transfers to the General Fund shall be made from the following:

- (a) Local Government Economic Assistance and Local Government Economic Development Funds;
- (b) Unexpended debt service from the Tobacco-Settlement Phase I Funds in either fiscal year;
- (c) Tobacco Unbudgeted Interest Income-Rural Development Trust Fund; and

(d) Multi-County Coal Severance Fund;

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

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

~~[(5) Any language provision that expresses legislative intent regarding a specific appropriation shall not be reduced by a greater percentage than the reduction to the General Fund appropriation for that budget unit;]~~

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

~~[(7) Notwithstanding subsection (10) of this Part, no reductions shall be made to the Constitutional Officers or their offices, Commonwealth's Attorneys or their offices, or County Attorneys or their offices. The Governor may request their participation in a budget reduction; however, the level of participation shall be at the discretion of the Constitutional Officer, or the Prosecutors Advisory Council;]~~

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

Branch heads shall take care, by their respective actions, to protect, preserve, and advance the fundamental health, safety, legal and social welfare, and educational well-being of the citizens of the Commonwealth;

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

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

PART VII

GENERAL FUND SURPLUS EXPENDITURE PLAN

(1) Notwithstanding KRS 48.130(7), 48.140(3), 48.700, and 48.705, there is established a plan for the expenditure of General Fund surplus moneys pursuant to a General Fund Surplus Expenditure Plan contained in this Part for fiscal years 2014-2015 and 2015-2016. Pursuant to the enactment of the Surplus Expenditure Plan, General Fund moneys made available for the General Fund Surplus Expenditure Plan pursuant to Part III, General Provisions, Section 25, of this Act are appropriated to the following:

(a) Authorized expenditures without a sum-specific appropriation amount, known as Necessary Government Expenses, including but not limited to Emergency Orders formally declared by the Governor in an Executive Order subject to the following limitation: General Fund moneys made available for the General Fund Surplus Expenditure Plan in fiscal year 2015-2016 shall not be reserved for Necessary Government Expenses in fiscal year 2016-2017; and

(b) Increased support to the Budget Reserve Trust Fund.

(2) The Secretary of the Finance and Administration Cabinet shall determine, within 30 days after the close of fiscal year 2013-2014, and the close of fiscal year 2014-2015, based on the official financial records of the Commonwealth, the amount of actual General Fund undesignated fund balance for the General Fund Surplus Account that may be available for expenditure pursuant to the Plan respectively in fiscal year 2014-2015 and fiscal year 2015-2016. The Secretary of the Finance and Administration Cabinet shall certify the amount of actual General Fund undesignated fund balance available for expenditure to the Legislative Research Commission.

PART VIII

ROAD FUND BUDGET REDUCTION PLAN

There is established a Road Fund Budget Reduction Plan for fiscal year 2014-2015 and fiscal year 2015-2016. Pursuant to KRS 48.130, in the event of an actual or projected revenue shortfall in Road Fund revenue receipts of \$1,593,200,000 in fiscal year 2014-2015 and \$1,619,200,000 in fiscal year 2015-2016 as determined by KRS 48.120 and modified by related Acts and actions of the General Assembly in an extraordinary or regular session, the Governor shall implement sufficient reductions as may be required to protect the highest possible level of service.

PART IX

ROAD FUND SURPLUS EXPENDITURE PLAN

Notwithstanding KRS 48.110, 48.140, and 48.710, there is established a plan for the expenditure of the Road Fund Surplus Account. All moneys in the Road Fund Surplus Account shall be appropriated in the State Construction Account within the Highways budget unit and utilized to support projects in the fiscal biennium 2014-2016 Biennial Highway Construction Program.

PART X

PHASE I TOBACCO SETTLEMENT

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

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

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

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

(5) **MSA Payment Estimates and Adjustments:** Based on the current estimates as reviewed by the Consensus Forecasting Group, the amount of MSA payments expected to be received in fiscal year 2014-2015 is \$99,700,000 and in fiscal year 2015-2016 is \$72,400,000. It is recognized that payments to be received by the Commonwealth are estimated and are subject to change. Any appropriations made from the estimated receipts are subject to adjustments based on actual receipts as received and certified by the Secretary of the Finance and Administration Cabinet.

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

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

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

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

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

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

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

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

b. Early Childhood Development: General Government - Governor's Office: \$2,101,800 (\$1,912,500 in fiscal year 2013-2014 and \$189,300, continuing appropriation); Health and Family Services Cabinet - Community Based Services, \$100,000 in fiscal year 2013-2014; Health and Family Services Cabinet - Public Health, \$3,682,900 in fiscal year 2013-2014; Health and Family Services Cabinet - Behavioral Health, Developmental and Intellectual Disabilities, \$75,600 in fiscal year 2013-2014; and Council on Postsecondary Education - Kentucky Higher Education Assistance Authority, \$301,000 in fiscal year 2013-2014.

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

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

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

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

A. STATE ENFORCEMENT

GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS

1. FINANCE AND ADMINISTRATION CABINET

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

B. DEBT SERVICE

GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS

1. FINANCE AND ADMINISTRATION CABINET

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

(1) Debt Service: To the extent that revenues sufficient to support the required debt service appropriations are received from the Tobacco Settlement Program, those revenues shall be made available from those accounts to

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

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

C. AGRICULTURAL DEVELOPMENT APPROPRIATIONS

GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS

1. GENERAL GOVERNMENT

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

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

(2) **Agricultural Development Appropriations:** Notwithstanding KRS 248.703(1), included in the above General Fund (Tobacco) appropriation is \$19,350,000 in fiscal year 2014-2015 and \$9,850,000 in fiscal year 2015-2016, for the counties account as specified in KRS 248.703(1)(a).

b. Agriculture	600,000	600,000
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(1) **Farms to Food Banks:** Included in the above General Fund (Tobacco) appropriation is \$600,000 in each fiscal year to support the Farms to Food Banks program to benefit both Kentucky farmers and the needy by providing fresh, locally grown produce to food pantries.

2. ENERGY AND ENVIRONMENT CABINET

Budget Unit	2014-15	2015-16
a. Natural Resources	6,000,000	-0-

(1) **Environmental Stewardship Program:** Included in the above General Fund (Tobacco) appropriation is \$6,000,000 in fiscal year 2014-2015 for the Environmental Stewardship Program.

TOTAL - AGRICULTURAL APPROPRIATIONS	37,701,600	12,821,200
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D. EARLY CHILDHOOD DEVELOPMENT

GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS

1. GENERAL GOVERNMENT

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

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

2. CABINET FOR HEALTH AND FAMILY SERVICES

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

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

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

c. Behavioral Health, Developmental and Intellectual Disabilities

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

3. POSTSECONDARY EDUCATION

Budget Unit	2014-15	2015-16
a. Kentucky Higher Education Assistance Authority	1,100,000	1,100,000

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

TOTAL - EARLY CHILDHOOD APPROPRIATIONS	24,198,900	24,198,900
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E. HEALTH CARE IMPROVEMENT APPROPRIATIONS

GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS

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

1. CABINET FOR HEALTH AND FAMILY SERVICES

Budget Unit	2014-15	2015-16
a. Public Health	2,486,300	1,803,800

(1) **Smoking Cessation Program:** Included in the above General Fund (Tobacco) appropriation is \$2,486,300 in fiscal year 2014-2015 and \$1,803,800 in fiscal year 2015-2016 for the Smoking Cessation Program.

2. JUSTICE AND PUBLIC SAFETY CABINET

Budget Unit	2014-15	2015-16
a. Justice Administration	1,700,200	1,241,100

(1) **Office of Drug Control Policy:** Included in the above General Fund (Tobacco) appropriation is \$1,700,200 in fiscal year 2014-2015 and \$1,241,100 in fiscal year 2015-2016 for the Office of Drug Control Policy.

3. POSTSECONDARY EDUCATION

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

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

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

FUNDING PROGRAM	101,879,500	74,579,500
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PART XI

STATE/EXECUTIVE BRANCH BUDGET SUMMARY

OPERATING BUDGET

2013-14	2014-15	2015-16
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ACTS OF THE GENERAL ASSEMBLY

General Fund (Tobacco)	-0-	101,879,500	74,579,500
General Fund	32,884,900	9,643,517,900	9,857,513,500
Restricted Funds	58,893,300	7,080,979,600	7,245,308,400
Federal Funds	751,684,200	10,164,654,700	10,477,467,800
Road Fund	-0-	100,301,100	101,489,300
SUBTOTAL	843,462,400	27,091,332,800	27,756,358,500

CAPITAL PROJECTS BUDGET

	2013-14	2014-15	2015-16
General Fund	-0-	5,776,000	-0-
Restricted Funds	-0-	3,668,648,000	86,959,000
Federal Funds	-0-	140,837,800	37,319,300
Bond Funds	-0-	697,705,200	45,068,000
Agency Bonds	-0-	721,275,000	-0-
Capital Construction Surplus	-0-	1,735,000	-0-
Investment Income	-0-	3,013,000	3,013,000
Other Funds	-0-	1,019,150,000	2,375,000
SUBTOTAL	-0-	6,258,140,000	174,734,300

TOTAL - STATE/EXECUTIVE BUDGET

	2013-14	2014-15	2015-16
General Fund (Tobacco)	-0-	101,879,500	74,579,500
General Fund	32,884,900	9,649,293,900	9,857,513,500
Restricted Funds	58,893,300	10,749,627,600	7,332,267,400
Federal Funds	751,684,200	10,305,492,500	10,514,787,100
Road Fund	-0-	100,301,100	101,489,300
Bond Funds	-0-	697,705,200	45,068,000
Agency Bonds	-0-	721,275,000	-0-
Capital Construction Surplus	-0-	1,735,000	-0-
Investment Income	-0-	3,013,000	3,013,000
Other Funds	-0-	1,019,150,000	2,375,000
TOTAL FUNDS	843,462,400	33,349,472,800	27,931,092,800

The above capital projects are directly funded in Part II, Capital Projects Budget, of this Act. The above Budget Reserve Trust Fund is directly funded in Part III, General Provisions, of this Act.

Vetoed portions are displayed with brackets and strike-throughs. Vetoed in part April 11, 2014. Portions not vetoed became law April 12, 2014, without Governor's signature.

EAS



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

MATTHEW G. BEVIN
GOVERNOR

March 31, 2016

700 CAPITOL AVENUE
SUITE 100
FRANKFORT, KY 40601
(502) 564-2611
FAX: (502) 564-2517

VIA HAND-DELIVERY

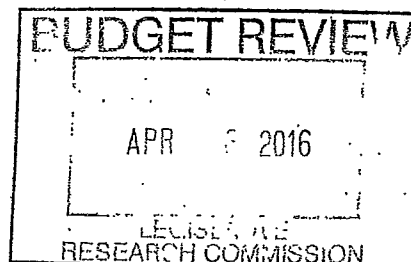
Secretary William M. Landrum
Finance and Administration Cabinet
702 Capitol Avenue
Capitol Annex, Room 383
Frankfort, KY 40601

Mr. John Chilton
State Budget Director
702 Capitol Avenue
Capitol Annex, Room 284
Frankfort, KY 40601

Dear Secretary Landrum and Budget Director Chilton:

Pursuant to the authority provided to me in KRS 48.620(1), this is to certify that the allotments for the following budget units of the Executive Branch for April 1, 2016 drawn-downs by each unit under the 2015-2016 Executive Branch budget should be reduced by 4.5% of the 2015-2016 allotments:

- Eastern Kentucky University
- Kentucky State University
- Morehead State University
- Murray State University
- Northern Kentucky University
- University of Kentucky
- University of Louisville
- Western Kentucky University
- Kentucky Community and Technical College System



Please cause all necessary revisions in these allotments to be made before close of business today.

Sincerely,

Matthew G. Bevin
Governor

cc: Interim Joint Committee on
Appropriations and Revenue

Exhibit 2



An Equal Opportunity Employer M/F/D

Last Execution Date

3/31/16

Commonwealth of Kentucky
Fiscal Year 2016 Allotment Modification
Appropriation: STATE - Commonwealth of Kentucky
Request Code: 5404

Allotment	Allotment Name	Fund	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total	Object	Object Amount
4300	Eastern Kentucky University	0100	0	0	0	-3,061,500	-3,061,500		0
4350	Kentucky State University	0100	0	0	0	-1,054,300	-1,054,300		0
4400	Morehead State University	0100	0	0	0	-1,950,300	-1,950,300		0
4450	Murray State University	0100	0	0	0	-2,161,100	-2,161,100		0
4500	Northern Kentucky University	0100	0	0	0	-2,184,200	-2,184,200		0
4550	University of Kentucky	0100	0	0	0	-12,582,500	-12,582,500		0
4600	University of Louisville	0100	0	0	0	-6,258,500	-6,258,500		0
4650	Western Kentucky University	0100	0	0	0	-3,359,200	-3,359,200		0
470A	Ky Community and Technical College System	0100	0	0	0	-8,557,300	-8,557,300		0
TOTAL			0	0	0	-41,168,900	-41,168,900		0

SENATE MEMBERS

Robert Stivers
President, LRC Co-Chair
David Givens
President Pro Tem
Damon Thayer
Majority Floor Leader
Ray S. Jones II
Minority Floor Leader
Dan "Malano" Seum
Majority Caucus Chair
Gerald A. Neal
Minority Caucus Chair
Jimmy Higdon
Majority Whip
Julian M. Carroll
Minority Whip

**LEGISLATIVE RESEARCH COMMISSION**

State Capitol

700 Capitol Avenue

Frankfort KY 40601

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lrc.ky.gov

David A. Byerman
Director

HOUSE MEMBERS

Gregory D. Stumbo
Speaker, LRC Co-Chair
Jody Richards
Speaker Pro Tem
Rocky Adkins
Majority Floor Leader
Jeff Hoover
Minority Floor Leader
Sannie Overly
Majority Caucus Chair
Stan Lee
Minority Caucus Chair
Johnny Bell
Majority Whip
Jim DeCesare
Minority Whip

December 17, 2015

John E. Chilton
State Budget Director
Office of the State Budget Director
Room 284, Capitol Annex
Frankfort, Kentucky 40601

Dear Mr. Chilton:

In accordance with KRS 48.120 and 48.115, the Consensus Forecasting Group (CFG) assembled on December 16, 2015 to consider revisions to the official revenue estimates for FY 2016 and to develop official revenue estimates for FY 2017 and FY 2018. The estimates adopted by the CFG during the December meeting are contained in the table below.

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Road Fund</u>
2016	\$10,289,900,000	\$1,445,900,000
2017	\$10,617,200,000	\$1,456,900,000
2018	\$10,875,500,000	\$1,478,200,000

The FY 2016 General Fund estimate adopted by the CFG is \$222.7 million more than the FY 2016 enacted estimate (\$10,067.2 million). The FY 2016 Road Fund estimate adopted by the CFG is \$112.5 million less than the FY 2016 enacted estimate (\$1,558.4 million). A summary of the General Fund and Road Fund estimates by tax category are included in Attachment A and Attachment B. Detailed tables of the revenue estimates by tax category are included in Attachment C and Attachment D.

In addition to providing estimates for the General Fund and the Road Fund, the CFG provides estimates of the receipts the Commonwealth may receive from the Phase I Tobacco Master Settlement Agreement (MSA). The figures below represent the MSA estimates adopted by the CFG at the December 16, 2015 meeting and are not included in the General Fund totals.

Exhibit 3

<u>Fiscal Year</u>	<u>MSA Revenue</u>
2016	\$88,100,000
2017	\$87,000,000
2018	\$92,800,000

The FY 2016 MSA estimate is \$15.7 million more than the FY 2016 MSA enacted estimate adopted by the CFG in December 2013 (\$72.4 million). The FY 2016 MSA enacted estimate recognized the 2016 MSA payment could be impacted by the final resolution of the 2004 NPM adjustment. In June 2014, the Commonwealth reached a settlement on the NPM issue for certain MSA payment years, which reduced the likelihood of an NPM adjustment in FY 2016. As a result, the MSA estimate for FY 2016 was increased by the Consensus Forecasting Group at the December 2015 meeting.

In summary, the General Fund, Road Fund and MSA revenue estimates adopted by the Consensus Forecasting Group represent an agreement among the members as to the most likely outcome for revenues for the next fiscal year and the upcoming biennium, given the information available on December 16, 2015.

Sincerely,



Frank O'Connor
Chairman, Consensus Forecasting Group
Professor of Economics
Eastern Kentucky University

General Fund Detailed Consensus Revenue Estimate

Source	Actual 2015	Estimated 2016	Estimated 2017	Estimated 2018
<u>Selected Sales and Gross Receipts Taxes</u>				
Sales & Use	\$3,267,331,025 ✓	\$3,420,500,000 ✓	\$3,539,800,000 ✓	\$3,638,400,000 ✓
Cigarette	\$220,902,529 ✓	\$225,800,000 ✓	\$222,500,000 ✓	\$220,500,000 ✓
Cigarette Floor Stock Tax	\$11,502	\$0	\$0	\$0
Distilled Spirits Case Sales	\$132,802	\$138,282	\$143,549	\$148,815
Insurance Tax Foreign Companies	\$39,927,738	\$40,895,835	\$40,683,837	\$41,258,569
Insurance Tax Companies Other Than Life	\$100,731,564	\$102,504,098	\$105,166,602	\$107,829,106
Insurance Tax Fire Prevention Fund	\$5,821,361	\$6,116,861	\$6,417,630	\$6,718,399
Pari-Mutuel	\$2,964,884	\$2,343,002	\$2,498,232	\$2,459,184
Race Track Admission	\$155,426	\$180,169	\$180,436	\$180,703
Beer Consumption	\$6,071,389	\$6,148,499	\$6,149,159	\$6,149,820
Distilled Spirits Consumption	\$12,468,749	\$12,795,609	\$13,141,477	\$13,487,345
Wine Consumption	\$2,912,784	\$3,044,481	\$3,128,201	\$3,211,920
Beer Wholesale	\$57,570,011	\$57,170,838	\$56,771,664	\$56,372,490
Distilled Spirits Wholesale	\$36,471,357	\$38,630,275	\$40,910,002	\$43,189,729
Wine Wholesale	\$16,323,658	\$16,848,727	\$17,473,757	\$18,098,788
Other Tobacco Products and Snuff	\$21,328,845	\$21,312,696	\$21,300,661	\$21,288,626
Telecommunications Taxes	\$63,575,235	\$63,059,353	\$62,210,101	\$61,360,849
TOTAL SEL. SALES AND GROSS RECEIPTS TAXES	\$3,854,700,859	\$4,017,488,725	\$4,138,475,308	\$4,240,654,343
<u>License and Privilege Taxes</u>				
Coal Severance Tax	\$180,283,352 ✓	\$138,400,000 ✓	\$120,700,000 ✓	\$107,600,000 ✓
Mineral Severance Tax	\$15,128,385	\$17,400,000	\$18,100,000	\$18,900,000
Natural Gas Severance Tax	\$15,361,597	\$11,400,000	\$14,800,000	\$15,500,000
Oil Production	\$9,840,015	\$5,400,000	\$7,000,000	\$8,100,000
Corporate License	\$188,600	\$2,000,000	\$0	\$0
Cigarette License	\$68,946	\$93,426	\$97,526	\$101,625
Race Track License	\$247,766	\$264,550	\$258,405	\$267,546
Marijuana and Controlled Substance Tax	\$133,351	\$124,053	\$134,487	\$144,921
Bank Franchise Tax	\$99,990,669	\$101,625,869	\$102,135,574	\$103,395,609
Corporation Organization	\$186,635	\$155,198	\$173,812	\$192,426
Cir. Ct. Clk. - Driver License Receipts	\$659,776	\$658,870	\$670,673	\$682,476
Sand and Gravel License	\$0	\$0	\$0	\$0
Alcoholic Beverage License Suspension	\$450,542	\$433,844	\$454,700	\$475,556
Limited Liability Entity Tax	\$223,791,283 ✓	\$219,800,000 ✓	\$223,700,000 ✓	\$221,600,000 ✓
TOTAL LICENSE AND PRIVILEGE TAXES	\$546,330,917	\$497,755,810	\$488,225,177	\$476,960,159
<u>Income Taxes</u>				
Corporation Income Tax	\$528,118,737 ✓	\$531,700,000 ✓	\$579,400,000 ✓	\$553,100,000 ✓
Individual Income Tax	\$4,069,500,570 ✓	\$4,233,500,000 ✓	\$4,411,100,000 ✓	\$4,588,600,000 ✓
TOTAL INCOME TAXES	\$4,597,619,307	\$4,765,200,000	\$4,990,500,000	\$5,141,700,000
<u>Property Taxes</u>				
Real Property	\$259,228,298	\$263,100,000	\$268,400,000	\$275,050,000
Tangible Personal Property	\$99,580,051	\$100,700,000	\$102,300,000	\$104,900,000
Motor Vehicles	\$123,025,273	\$128,300,000	\$133,200,000	\$137,050,000
Bank Deposits	\$588,914	\$595,000	\$595,000	\$595,000
Distilled Spirits Ad Valorem	\$891,761	\$900,000	\$900,000	\$900,000
Building and Loan Association Capital Stock	\$1,482,051	\$1,400,000	\$1,400,000	\$1,300,000
Omitted and Delinquent	\$16,237,196	\$20,500,000	\$20,500,000	\$20,500,000
Apportioned Vehicles	\$3,531,793	\$3,500,000	\$3,500,000	\$3,500,000
Public Service Companies	\$58,864,760	\$54,000,000	\$54,400,000	\$54,900,000
Other Property	\$5,374	\$5,000	\$5,000	\$5,000
TOTAL PROPERTY TAXES	\$563,435,471 ✓	\$573,000,000 ✓	\$585,200,000 ✓	\$598,700,000 ✓

General Fund Detailed Consensus Revenue Estimate

<u>Source</u>	<u>Actual 2015</u>	<u>Estimated 2016</u>	<u>Estimated 2017</u>	<u>Estimated 2018</u>
<u>Inheritance Taxes</u>				
Inheritance Tax	\$50,975,858	\$46,048,643	\$47,622,783	\$48,215,761
TOTAL INHERITANCE TAXES	\$50,975,858	\$46,048,643	\$47,622,783	\$48,215,761
<u>Departmental Fees, Sales and Rentals</u>				
Public Service Commission Assessments-	\$20,829,264	\$21,000,000	\$21,630,000	\$22,278,900
Insurance - Retaliatory Taxes & Fees-	\$4,958,218	\$4,795,683	\$4,912,838	\$5,029,993
Sec. of State - Process Agents Fees	\$0	\$0	\$0	\$0
Insurance - Miscellaneous Receipts	\$0	\$0	\$0	\$0
Circuit Court Clk. - Civil Filing Fee Receipts-	\$7,368,000	\$8,373,851	\$7,302,244	\$6,873,601
Circuit Court Clk. - Bond Filing Fee-	\$2,537,825	\$2,484,788	\$2,431,750	\$2,378,713
Circuit Court Clk. - 10% Bond Fee-	\$356,999	\$323,996	\$289,516	\$255,036
Circuit Court Clk. - Receipts for Services-	\$5,207,851	\$5,028,951	\$4,838,204	\$4,647,457
Strip Mining & Reclamation Fees-	\$0	\$0	\$0	\$0
Strip Mining & Reclamation - Fines Coll.	\$266,094	\$193,571	\$121,047	\$48,524
Miscellaneous - Pub Advoc; Sec State Fee	\$1,341,488	\$2,698,552	\$2,809,088	\$2,919,625
TOTAL DEPARTMENT FEES, SALES AND RENTALS	\$42,865,739	\$44,899,392	\$44,334,687	\$44,431,849
<u>Investment Receipts</u>				
General Depository Investment Income **	\$213,267	(\$600,000)	(\$7,000,000)	(\$11,000,000)
Circuit Court Clk. - Interest Income				
Ky Asset/Liab - TRAN				
TOTAL INVESTMENT RECEIPTS	\$213,267	(\$600,000)	(\$7,000,000)	(\$11,000,000)
<u>Miscellaneous Revenue</u>				
Lottery	\$221,500,000 ✓	\$232,000,000 ✓	\$236,000,000 ✓	\$241,000,000 ✓
Legal Process - Clk. Supreme Court	\$110,606	\$100,000	\$100,000	\$100,000
Legal Process - Clk. Court of Appeals	\$0	\$0	\$0	\$0
Dept. of Rev. Legal Process Taxes - Co. Clk.	\$2,428,429	\$2,589,867	\$2,630,203	\$2,670,538
Dept. of Rev. Penalty & Int. of Co. Officials	(\$24,652)	(\$27,448)	(\$28,152)	(\$28,855)
TVA - In Lieu of Taxes - State Portion	\$9,452,432	\$10,000,060	\$10,248,314	\$11,113,202
F.H.A. - In Lieu of Taxes	\$36,563	\$28,508	\$20,437	\$12,366
R.E.C.C. and R.T.C.C. In Lieu of Taxes	\$300	\$300	\$300	\$300
Business Development - In Lieu of Taxes				
Abandoned Property	\$27,515,778	\$48,933,628	\$33,468,482	\$34,565,126
Circuit Court Clk. - Fish & Wildlife Fines	\$63,701	\$58,236	\$54,209	\$50,182
Cir. Ct. Clk. - Criminal/Traffic Fines & Costs	\$18,232,427	\$16,888,767	\$15,525,834	\$14,162,902
Circuit Court Clk. - Bond Forfeitures	\$1,279,103	\$1,289,526	\$1,273,835	\$1,258,144
Fines Dept Insurance	\$0	\$0	\$0	\$0
Workplace & Employment Standards, Fees, Fines	\$0	\$0	\$0	\$0
Sale of NOx Credits	\$27,594	\$0	\$0	\$0
Other Fines & Unhonored Checks	\$14,684,314	\$20,298,541	17,917,281	19,536,021
Court Costs	\$13,488,926	\$12,230,241	\$10,971,558	\$9,712,874
TOTAL MISCELLANEOUS REVENUE	\$308,795,521	\$344,390,226	\$328,182,301	\$334,152,800
MISC. NOT IN REVENUE ESTIMATES	\$1,693,958	\$1,717,204	\$1,659,744	\$1,685,088
TOTAL GENERAL FUND	\$9,966,630,897	\$10,289,900,000	\$10,617,200,000	\$10,875,500,000

Attachment D
Road Fund Detailed Revenue Estimates

	<u>FY 2015</u> <u>Actual</u>	<u>FY2016</u> <u>Estimate</u>	<u>FY 2017</u> <u>Estimate</u>	<u>FY 2018</u> <u>Estimate</u>
<u>Sales and Gross Receipts Taxes</u>				
Motor Fuels Normal and Normal Use	\$849,359,513	\$741,950,000	\$746,350,000	\$748,850,000
Motor Vehicle Usage	395,210,736	427,200,000	433,100,000	448,800,000
Motor Vehicle Rental Usage	37,709,194	36,000,000	36,500,000	37,000,000
Truck Trip Permits	916,733	950,000	950,000	950,000
Sales and Use	-149,997	-100,000	-100,000	-100,000
TOTAL SALES AND GROSS RECEIPTS TAX	\$1,283,046,179	\$1,206,000,000	\$1,216,800,000	\$1,235,500,000
<u>License and Privilege Taxes</u>				
Drive Away Utility Trailer Permits	\$12,854	\$12,500	\$12,000	\$12,000
Amateur Radio Plate	8,610	8,700	8,700	8,700
Passenger Car License	30,122,380	30,400,000	30,200,000	30,100,000
Truck License - State Share	14,738,169	14,900,000	14,800,000	14,700,000
Motorcycle License	616,973	617,000	618,000	619,000
Dealers License	244,340	245,000	246,000	247,000
Transfer License	862,490	860,000	860,000	860,000
Trailer License	1,905,077	2,000,000	2,100,000	2,100,000
County Clerk Penalty	-5,531	10,000	10,000	10,000
Bus License - Except City	36,169	37,000	38,000	38,000
Bus Certificates and Permits	2,025	2,000	2,000	2,000
Taxi License	34,130	30,000	30,000	30,000
Truck Permits	44,330	30,000	30,000	30,000
Contract Taxicab Permit	14,074	14,500	15,000	15,000
Motor Vehicle Operator's License	14,035,061	14,200,000	14,155,000	14,255,000
Highway Special Permits	7,031,899	7,100,000	7,100,000	7,000,000
U-Drive-It Permits	6,187	6,500	6,500	6,500
U-Drive-Licenses	1,553,880	1,600,000	1,650,000	1,700,000
Junk Yard License	1,926	2,000	2,000	2,000
Historic Vehicle License	363,018	350,000	360,000	357,850
Operator's License-Driver Education	596,823	620,000	620,000	620,000
Truck Proportional Registration	44,974,657	44,500,000	41,500,000	42,000,000
Operator's License - Photography Program	1,326,607	1,380,000	1,325,000	1,425,000
Industrial Hauling Permits		1,000	1,000	1,000
General Assembly License Plates	1,847	1,800	1,800	1,800
Pearl Harbor Survivor Plates	0	0	0	0
Collegiate Plates	1,109,042	1,200,000	1,300,000	1,300,000
Personalized License Plates	1,343,699	1,350,000	1,360,000	1,370,000
Army Reserve Plates	816,723	820,000	821,000	822,000
Purple Heart Plates	20,005	15,000	15,000	15,000
Judicial License Plates	271	100	100	100
Civil Air Patrol Plates	1,244	1,250	1,250	1,250
National Guard License Plates	3,717	3,600	3,600	3,600
Civic Event Plates	470	450	450	450
Street Rod Plates	1,916	2,000	2,000	2,000
Fraternal Order of Police Plates	88,853	90,000	90,000	90,000
Environmental License Plate	473,657	470,000	460,000	450,000
Dealer Demonstrator Tags	6,123	6,000	6,000	6,000
Volunteer Fireman License Tags	79,679	79,800	79,800	79,800
P.O.W. License Plates	26	25	25	25
Motor Carrier Identification Cards	8,274,168	5,000,000	5,000,000	5,100,000
Weight Distance Tax	79,147,533	79,900,000	82,100,000	83,800,000
DES License Plates	12,921	13,000	13,000	13,000
Child Victims License Plates	42,937	45,000	45,000	45,000
Masonic License Plates	56,851	50,000	50,000	50,000
Horse Council Plates	326,606	300,000	275,000	265,000
Law Enforcement	176,023	180,000	180,000	180,000
Independent College	96,482	100,000	100,000	100,000
Ducks Unlimited	32,094	33,000	34,000	35,000
Spay and Neuter Plate	163,115	161,000	160,000	159,000
Share The Road	124,901	125,000	125,000	125,000
Ky Colonels	79,813	80,000	80,000	80,000

Attachment D
Road Fund Detailed Revenue Estimates

Sportsman	188,301	188,500	188,500	188,500
Breast Cancer	358,391	356,000	356,000	356,000
Choose Life	57,306	57,000	57,000	57,000
Zoo Foundation Plate	32,724	30,000	29,000	28,000
Lincoln Bicentennial	0	0	0	0
Kentucky Dental Association	6,119	6,000	5,900	5,800
Ryder Cup	19,754	19,000	18,000	17,000
Autism Awareness	76,950	80,000	83,000	86,000
Quail Unlimited	56,807	57,000	57,500	58,000
Temporary Tags	444,521	450,000	450,000	450,000
Nonreciprocal Permits	248,430	250,000	250,000	250,000
Overweight Coal Truck Permit	404,906	425,000	425,000	425,000
Friends of Coal	832,229	850,000	870,000	890,000
Temporary Truck Decal Permits	0	0	0	0
Kentucky Lineman	35,292	36,000	37,000	38,000
Silver Star	1,762	1,800	1,800	1,800
Bronze Star Valor	318	325	325	325
Keeneland Association	31,756	33,000	34,000	35,000
In God We Trust	4,576,635	4,731,650	4,866,250	5,100,000
Gold Star Spouse	0	0	0	0
Temporary Motorcycle Tags	7,222	7,200	7,200	7,200
Kosair Charities	17,977	18,000	18,000	18,000
Chiropractor Plates	2,216	2,300	2,300	2,300
Kentucky Library Association	22,490	23,000	23,000	23,000
I Support Veterans	98,619	100,000	103,000	105,000
Juvenile Diabetes	12,689	14,000	14,000	14,000
Trust for Life	30,072	35,000	35,000	35,000
Smallmouth Bass	37,235	40,000	40,000	40,000
Rock - In God We Trust	13,896	14,000	14,000	14,000

TOTAL LICENSE AND PRIVILEGE TAX	\$218,621,481	\$216,778,000	\$215,978,000	\$218,478,000
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Departmental Fees, Sales and Rentals

Proposal Sales	\$0	\$0	\$0	\$0
Specification and Blue Print Sales	435,104	450,000	450,000	450,000
Miscellaneous Rentals	258,556	275,000	275,000	275,000
Fines and Forfeitures	0	0	0	0
Traffic Offenders School Fees	465,304	475,000	495,000	475,000
Record Copy Sales	467,925	500,000	500,000	500,000
Highway Sign Logo Rental	700,527	710,000	715,000	710,000
Driving History Record Fee	5,702,905	6,000,000	6,100,000	6,600,000
Operator's License Reinstatement Fees	1,256,010	1,300,000	1,400,000	1,700,000
Penalty & Interest - Weight and Use Taxes	1,346,375	1,400,000	1,400,000	1,400,000
Medical Alert Stickers	52	50	50	50
Motor Vehicle Title Receipts	5,140,414	5,130,000	5,250,000	5,275,000
Proceeds from Asset Disposition	2,381,626	2,500,000	2,800,000	1,700,000
Coal Road Recovery Fines	25,094	29,000	33,000	35,000
U-Drive-It Penalty and Interest	52,246	55,000	55,000	55,000

TOTAL DEPARTMENT FEES, SALES AND RENTALS	\$18,232,138	\$18,824,050	\$19,473,050	\$19,175,050
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Investment Income

Investment Income	\$2,913,784	\$1,200,000	\$1,400,000	\$1,500,000
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TOTAL INVESTMENT INCOME	\$2,913,784	\$1,200,000	\$1,400,000	\$1,500,000
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Miscellaneous Income

Property Damage	\$1,212,683	\$1,300,000	\$1,350,000	\$1,300,000
Cold Check Account	0		0	0

TOTAL MISCELLANEOUS INCOME	\$1,212,683	\$1,300,000	\$1,350,000	\$1,300,000
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Misc. Not in Revenue Estimates	\$2,712,393	\$1,797,950	\$1,898,950	\$2,246,950
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TOTAL ROAD FUND REVENUE	\$1,526,738,658	\$1,445,900,000	\$1,456,900,000	\$1,478,200,000
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Office of State Budget Director

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John E. Chilton
State Budget Director

Governor's Office for Policy and Management
Governor's Office for Economic Analysis
Governor's Office for Policy Research

For Immediate Release
March 10, 2016

Contact: John E. Chilton
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GENERAL FUND AND ROAD FUND RECEIPTS
FOR FEBRUARY 2016

General Fund receipts increased 1.3 percent
Road Fund receipts increased 6.9 percent

FRANKFORT, KY (March 10, 2016) - The Office of State Budget Director reported today that February's General Fund receipts rose 1.3 percent compared to February of last year, an increase of \$8.6 million. Total revenues for the month were \$669.6 million, compared to \$661.0 million during February 2015. Receipts have now grown 4.3 percent for the first eight months of FY16.

The official Consensus Forecasting Group estimate calls for 3.2 percent revenue growth for the entire fiscal year. To meet the official revenue estimate, receipts must grow 1.3 percent over the last four months of the fiscal year.

Road Fund receipts for January totaled \$120.6 million, a 6.9 percent increase over February 2015 levels. Year-to-date receipts for FY16 are down 5.2 percent.

State Budget Director John Chilton noted that the two largest General Fund revenue sources continued to offset weaknesses or reductions in other accounts. "February marks the eleventh consecutive month and 24th time out of the previous 26 months that sales and use tax receipts have increased. Additionally, individual income tax collections have been positive in seven of the eight months this fiscal year and growth has been in excess of 5 percent in five of the months. Robust and sustained growth in these taxes has largely offset declines in coal severance and LLET receipts as well as tepid growth in corporation income taxes."

-more-

Exhibit 4

Among the major accounts:

- Sales and use tax receipts increased 6.8 percent for the month and have grown 6.0 percent year-to-date.
- Corporation income tax receipts decreased \$5.4 million in February but have increased 0.8 percent for the year.
- Individual income tax collections grew 5.6 percent in February and have grown 7.0 percent though the first eight months of FY16.
- Property tax collections grew 11.7 percent for the month and have increased 2.7 percent year-to-date.
- Cigarette tax receipts fell 11.3 percent for the month but have increased 2.3 percent year-to-date.
- Coal severance tax receipts decreased 49.0 percent to \$7.9 million and are down 30.0 percent through the first eight months of the fiscal year.

Road Fund receipts grew 6.9 percent in February 2016 with collections of \$120.6 million but have fallen 5.2 for the year. The official Road Fund revenue estimate call for revenues to decline 5.3 percent for the fiscal year. Based on year-to-date tax collections, revenues can decrease 5.5 percent for the remainder of FY16 and still meet the estimate. Among the accounts, motor fuels fell 9.0 percent. Motor vehicle usage revenue increased 23.6 percent, and license and privilege receipts rose 24.3 percent.

KENTUCKY STATE GOVERNMENT REVENUE
1. GENERAL FUND REVENUE

	2016	FEBRUARY 2015	% Change	FY 2016	JULY THROUGH FEBRUARY FY 2015	% Change
TOTAL GENERAL FUND	\$669,648,799	\$661,035,598	1.3%	\$6,643,865,736	\$6,367,307,907	4.3%
Tax Receipts	\$646,794,786	\$635,867,921	1.7%	\$6,421,518,715	\$6,137,670,945	4.6%
Sales and Gross Receipts	\$290,296,420	\$281,327,301	3.2%	\$2,688,524,151	\$2,548,608,306	5.5%
Beer Consumption	393,325	525,921	-25.2%	4,324,979	4,030,255	7.3%
Beer Wholesale	3,609,959	4,804,572	-24.9%	41,448,650	38,699,648	7.1%
Cigarette	15,312,435	17,254,495	-11.3%	148,152,773	144,880,264	2.3%
Distilled Spirits Case Sales	8,802	7,882	11.7%	95,853	89,760	6.8%
Distilled Spirits Consumption	830,509	749,049	10.9%	9,001,795	8,430,246	6.8%
Distilled Spirits Wholesale	2,457,100	2,069,746	18.7%	27,036,210	24,498,072	10.4%
Insurance Premium	29,835,720	33,099,308	-9.9%	75,714,980	77,902,381	-2.8%
Pari-Mutuel	229,867	216,812	6.0%	2,234,596	1,785,728	25.1%
Race Track Admission	11,578	0	---	190,880	148,898	28.2%
Sales and Use	229,344,410	214,685,970	6.8%	2,309,478,959	2,179,110,391	6.0%
Wine Consumption	191,226	156,286	22.4%	2,209,207	1,983,424	11.4%
Wine Wholesale	1,044,967	852,270	22.6%	11,520,506	11,034,231	4.4%
Telecommunications Tax	5,477,230	5,375,126	1.9%	43,039,978	41,908,499	2.7%
Other Tobacco Products	1,549,292	1,525,935	1.5%	14,068,195	14,101,578	-0.2%
Floor Stock Tax	0	3,929	-100.0%	6,590	4,931	33.7%
License and Privilege	\$6,250,408	\$4,043,315	54.6%	\$9,133,255	\$7,375,756	23.8%
Alc. Bev. License Suspension	46,250	5,700	711.4%	337,351	239,155	41.1%
Corporation License	(6,319)	8,177	---	73,362	308,510	-76.2%
Corporation Organization	0	30,000	-100.0%	91,685	68,292	34.3%
Occupational Licenses	8,097	7,465	8.5%	105,170	86,534	21.5%
Race Track License	5,425	0	---	276,150	241,291	14.4%
Bank Franchise Tax	6,147,160	3,950,482	55.6%	7,823,668	5,989,220	30.6%
Driver License Fees	49,795	41,491	20.0%	425,869	442,754	-3.8%
Natural Resources	\$9,489,817	\$18,055,299	-47.4%	\$110,272,201	\$157,346,257	-29.9%
Coal Severance	7,917,475	15,529,823	-49.0%	88,987,396	127,211,207	-30.0%
Oil Production	219,042	521,923	-58.0%	3,427,163	7,793,465	-56.0%
Minerals Severance	975,485	708,553	37.7%	12,786,559	10,557,968	21.1%
Natural Gas Severance	377,815	1,295,000	-70.8%	5,071,082	11,783,617	-57.0%
Income	\$307,919,400	\$301,631,069	2.1%	\$3,070,886,309	\$2,895,926,918	6.0%
Corporation	1,194,891	6,612,578	-81.9%	244,141,333	242,099,345	0.8%
Individual	300,190,976	284,269,465	5.6%	2,732,050,759	2,552,419,316	7.0%
Limited Liability Entity	6,533,533	10,749,026	-39.2%	94,694,217	101,408,258	-6.6%
Property	\$27,707,829	\$24,800,106	11.7%	\$491,931,305	\$479,092,650	2.7%
Building & Loan Association	0	0	---	(11,881)	(498,150)	---
General - Real	7,920,401	8,068,457	-1.8%	258,931,501	249,597,242	3.7%
General - Tangible	14,057,509	10,772,861	30.5%	171,935,965	168,382,832	2.1%
Omitted & Delinquent	4,733,466	3,840,143	23.3%	7,967,488	8,760,468	-9.1%
Public Service	783,649	1,848,500	-57.6%	51,864,058	51,658,734	0.4%
Other	212,804	270,145	-21.2%	1,244,174	1,191,524	4.4%
Inheritance Tax	\$3,201,618	\$3,939,401	-18.7%	\$34,473,879	\$32,882,622	4.8%
Miscellaneous	\$1,929,294	\$2,071,429	-6.9%	\$16,297,615	\$16,438,436	-0.9%
Legal Process	1,055,004	1,271,410	-17.0%	9,551,890	10,093,960	-5.4%
T. V. A. In Lieu Payments	848,556	784,225	8.2%	6,725,587	6,315,532	6.5%
Other	25,734	15,794	62.9%	20,138	28,944	-30.4%
Nontax Receipts	\$22,745,867	\$25,004,388	-9.0%	\$218,516,772	\$228,456,070	-4.4%
Departmental Fees	2,119,055	2,293,075	-7.6%	12,052,147	11,306,284	6.6%
PSC Assessment Fee	(50)	21,496	---	10,868,408	14,697,402	-26.1%
Fines & Forfeitures	1,472,371	2,002,429	-26.5%	13,524,765	14,730,705	-8.2%
Income on Investments	(72,471)	(64,486)	---	(580,377)	(515,911)	---
Lottery	19,000,000	19,000,000	0.0%	150,278,429	147,000,000	2.2%
Sale of NOx Credits	0	0	---	0	27,594	-100.0%
Miscellaneous	226,963	1,751,875	-87.0%	32,373,399	41,209,996	-21.4%
Redeposit of State Funds	\$108,146	\$163,289	-33.8%	\$3,830,250	\$1,180,892	224.4%

	<u>2016</u>	<u>FEBRUARY</u> <u>2015</u>	<u>% Change</u>	<u>FY 2016</u>	<u>JULY THROUGH FEBRUARY</u> <u>FY 2015</u>	<u>% Change</u>
TOTAL STATE ROAD FUND	\$120,560,389	\$112,777,919	6.9%	\$972,802,845	\$1,026,357,636	-5.2%
Tax Receipts-	\$118,129,050	\$111,441,874	6.0%	\$956,959,325	\$1,009,112,311	-5.2%
Sales and Gross Receipts	\$90,974,229	\$89,592,158	1.5%	\$815,299,536	\$878,469,249	-7.2%
Motor Fuels Taxes	55,234,403	60,678,807	-9.0%	497,225,895	599,803,717	-17.1%
Motor Vehicle Usage	35,739,826	28,913,351	23.6%	318,073,642	278,665,532	14.1%
License and Privilege	\$27,154,821	\$21,849,716	24.3%	\$141,659,789	\$130,643,062	8.4%
Motor Vehicles	7,474,981	7,867,638	-5.0%	60,115,311	55,508,251	8.3%
Motor Vehicle Operators	1,224,144	1,292,075	-5.3%	10,725,775	10,809,937	-0.8%
Weight Distance	14,369,714	8,899,478	61.5%	60,738,969	54,538,251	11.4%
Truck Decal Fees	276	(30)	---	39,420	38,398	2.7%
Other Special Fees	4,085,706	3,790,554	7.8%	10,040,313	9,748,225	3.0%
Nontax Receipts	\$2,123,501	\$516,872	310.8%	\$14,901,717	\$13,992,383	6.5%
Departmental Fees	1,946,763	744,290	161.6%	13,043,349	10,985,332	18.7%
In Lieu of Traffic Fines	36,495	45,440	-19.7%	273,984	319,181	-14.2%
Income on Investments	124,265	(327,576)	---	1,110,537	1,974,985	-43.8%
Miscellaneous	15,978	54,717	-70.8%	473,848	712,884	-33.5%
Redeposit of State Funds	\$307,837	\$819,172	-62.4%	\$941,802	\$3,252,942	-71.0%

An electronic version of this report is available for viewing and downloading in PDF format at the Office of the State Budget Director's web site. To access this report, set your browser to <http://www.osbd.ky.gov>.



COMMONWEALTH OF KENTUCKY
OFFICE OF THE ATTORNEY GENERAL

ANDY BESHEAR
ATTORNEY GENERAL

April 1, 2016

CAPITOL BUILDING, SUITE 118
700 CAPITAL AVENUE
FRANKFORT, KENTUCKY 40601
(502) 696-5300
FAX: (502) 564-2894

Governor Matt Bevin
700 Capital Avenue
Suite 100
Frankfort, Kentucky 40601

Governor Bevin,

As the chief law enforcement officer for the Commonwealth and its citizens, it is my duty to uphold the law and the Kentucky Constitution. Therefore, I am writing to inform you that my office has been made aware of a constitutional and statutory violation regarding the allocation of duly enacted budget appropriations in the current fiscal year.

Your letter of March 31, 2016 effectively implements a 4.5 percent budget reduction for nine public colleges and universities for the 2016 fiscal year. This action exceeds your constitutional authority and infringes on the constitutional authority of the General Assembly. It is also in violation of various provisions of KRS Chapter 48.

The FY 2014-2016 enacted budget set out appropriations for individual budget units. These appropriations may only be reduced if there is a revenue shortfall in the General Fund receipts, as explicitly set out under Part VI-General Fund Budget Reduction Plan. *See* KRS 48.130; KRS 48.600. According to the March 10, 2016 press release by your Office of State Budget Director, the General Fund receipts increased 4.3 percent in the first eight months of FY16 and the Consensus Forecasting Group estimates a 3.2 percent revenue growth for the entire fiscal year. In light of this data, the condition to reduce appropriations cannot legally be implemented.

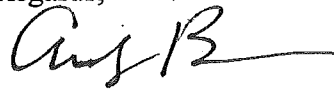
However, even if the revenue shortfall condition in KRS Chapter 48 were satisfied, under KRS 48.130 and Part VI of the enacted plan, the Governor must first expend funds from the general fund surplus account and then follow the required sequence outlined in the biennial budget. Furthermore, while you cite KRS 48.620 as your authority to reduce an "allotment" it is clear that you are effectively reducing an appropriation.



Page 2

We ask that you reconsider your directive to Mr. Landrum and Mr. Chilton and release the full appropriation to the nine colleges and universities listed in your March 31, 2016 letter pursuant to the allotment schedule. In order to resolve this issue prior to litigation, I ask that your General Counsel meet with my Chief Deputy on Monday of next week to discuss the matter after this meeting. If you are unable to meet, we request your response by close of business Friday, April 8, 2016.

Regards,

A handwritten signature in dark ink, appearing to read "Andy B", with a long horizontal flourish extending to the right.

ANDY BESHEAR
ATTORNEY GENERAL



Office of State Budget Director

284 Capitol Annex, 702 Capitol Avenue
Frankfort, Kentucky 40601

Steven L. Beshear
Governor

(502) 564-7300
FAX: (502) 564-6684
Internet: osbd.ky.gov

Jane C. Driskell
State Budget Director

Governor's Office for Policy and Management
Governor's Office for Economic Analysis
Governor's Office for Policy Research

May 22, 2015

Mikeal Pinkard
Vice President for Finance Administration and Facilities
Kentucky State University
Room 360, Jordan Building
400 E. Main Street
Frankfort, Kentucky 40601

Dear Mr. Pinkard:

Enclosed is a schedule of allotments (expenditure authority) available for your institution for the 2015-2016 fiscal year. The allotments are the amounts appropriated in House Bill 235 as enacted by the 2014 Regular Session of the General Assembly.

The General Fund allotment distribution by quarter is consistent with the distribution pattern in previous years for postsecondary education institutions. The transfer of state appropriations to your institution is subject to the provisions of KRS 164A.555. It has been past practice to limit monthly expenditure of state appropriations to one-third of the quarterly allotment. It is the University's responsibility to take necessary steps to ensure that reimbursements from the General Fund allotment do not exceed the monthly limitation.

The appropriation and allotment figures for the restricted fund represent, as in previous years, the combined total of Restricted and Federal Fund appropriations in House Bill 235. Pursuant to KRS 48.610, these funds are allotted by quarter in sufficient amounts to meet the University's operating needs.

If you have any questions, please contact me at (502) 564-1255 or by email at Kathi.Marshall@ky.gov.

Yours very truly,

Kathleen R. Marshall, CPA
Policy and Budget Analyst

Attachment

Exhibit 6

Last Refresh Date
5/20/15 2:12 PM

Cabinet: Postsecondary Education

Commonwealth of Kentucky
Original Allotment Request by Program

Appropriation: Kentucky State University

	Allotment Qtr 1 Original FY 15-16	Allotment Qtr 2 Original FY 15-16	Allotment Qtr 3 Original FY 15-16	Allotment Qtr 4 Original FY 15-16	Unallotted Original FY 15-16	Allotment Total Total Original FY 15-16	Object Class Original FY 15-16
4350 - Kentucky State University							
0100 - General Fund							
QUARTER Quarter	7,028,900	5,857,400	5,857,400	4,685,900		23,429,600	0
Total for - 0100	7,028,900	5,857,400	5,857,400	4,685,900		23,429,600	0
Total - 4350	7,028,900	5,857,400	5,857,400	4,685,900		23,429,600	0
435A - General Operations							
1300 - Agency Revenue Fund							
QUARTER Quarter	26,995,100	13,497,500	13,497,500	0		53,990,100	0
Total for - 1300	26,995,100	13,497,500	13,497,500	0		53,990,100	0
Total - 435A	26,995,100	13,497,500	13,497,500	0		53,990,100	0
Grand Total	34,024,000	19,354,900	19,354,900	4,685,900		77,419,700	0



Office of State Budget Director

284 Capitol Annex, 702 Capitol Avenue
Frankfort, Kentucky 40601

Steven L. Beshear
Governor

(502) 564-7300
FAX: (502) 564-6684
Internet: osbd.ky.gov

Jane C. Driskell
State Budget Director

Governor's Office for Policy and Management
Governor's Office for Economic Analysis
Governor's Office for Policy Research

May 22, 2015

Kenneth H. Ramey
Vice-President for Administration and Finance/Treasurer
Lucas Administrative Center, Room 812
Northern Kentucky University
Nunn Drive
Highland Heights, Kentucky 41099

Dear Mr. Ramey:

Enclosed is a schedule of allotments (expenditure authority) available for your institution for the 2015-2016 fiscal year. The allotments are the amounts appropriated in House Bill 235 as enacted by the 2014 Regular Session of the General Assembly.

The General Fund allotment distribution by quarter is consistent with the distribution pattern in previous years for postsecondary education institutions. The transfer of state appropriations to your institution is subject to the provisions of KRS 164A.555. It has been past practice to limit monthly expenditure of state appropriations to one-third of the quarterly allotment. It is the University's responsibility to take necessary steps to ensure that reimbursements from the General Fund allotment do not exceed the monthly limitation.

The appropriation and allotment figures for the restricted fund represent, as in previous years, the combined total of Restricted and Federal Fund appropriations in House Bill 235. Pursuant to KRS 48.610, these funds are allotted by quarter in sufficient amounts to meet the University's operating needs.

If you have any questions, please contact me at (502) 564-1255 or by email at Kathi.Marshall@ky.gov.

Yours very truly,

Kathleen R. Marshall, CPA
Policy and Budget Analyst

Attachment
Cc: Dr. Sue Hodges Moore
Kenneth Kline

Original Allotment Request by Program

Cabinet: Postsecondary Education

Appropriation: Northern Kentucky University

4500 - Northern Kentucky University									
0100 - General Fund									
QUARTER	Quarter	Allotment Qtr 1 Original FY 15-16	Allotment Qtr 2 Original FY 15-16	Allotment Qtr 3 Original FY 15-16	Allotment Qtr 4 Original FY 15-16	Unallotted Original FY 15-16	Allotment Total Total Original FY 15-16	Object Class Original FY 15-16	
		14,561,300	12,134,400	12,134,400	9,707,500		48,537,600	0	
Total for - 0100		14,561,300	12,134,400	12,134,400	9,707,500		48,537,600	0	
Total - 4500		14,561,300	12,134,400	12,134,400	9,707,500		48,537,600	0	
450A - General Operations									
1300 - Agency Revenue Fund									
QUARTER	Quarter	109,478,500	54,739,300	54,739,200	0		218,957,000	0	
Total for - 1300		109,478,500	54,739,300	54,739,200	0		218,957,000	0	
Total - 450A		109,478,500	54,739,300	54,739,200	0		218,957,000	0	
Grand Total		124,039,800	66,873,700	66,873,600	9,707,500		287,494,600	0	



Office of State Budget Director
284 Capitol Annex, 702 Capitol Avenue
Frankfort, Kentucky 40601

Steven L. Beshear
Governor

(502) 564-7300
FAX: (502) 564-6684
Internet: osbd.ky.gov

Jane C. Driskell
State Budget Director

Governor's Office for Policy and Management
Governor's Office for Economic Analysis
Governor's Office for Policy Research

May 22, 2015

Angela S. Martin
Vice President for Financial Operations and Treasurer
107 Main Building
University of Kentucky
Lexington, Kentucky 40506-0032

Dear Ms. Martin:

Enclosed is a schedule of allotments (expenditure authority) available for your institution for the 2015-2016 fiscal year. The allotments are the amounts appropriated in House Bill 235 as enacted by the 2014 Extraordinary Session of the General Assembly.

The General Fund allotment distribution by quarter is consistent with the distribution pattern in previous years for postsecondary education institutions. The transfer of state appropriations to your institution is subject to the provisions of KRS 164A.555. It has been past practice to limit monthly expenditure of state appropriations to one-third of the quarterly allotment. It is the University's responsibility to take necessary steps to ensure that reimbursements from the General Fund allotment do not exceed the monthly limitation.

The appropriation and allotment figures for the restricted fund represent, as in previous years, the combined total of Restricted and Federal Fund appropriations in House Bill 235. Pursuant to KRS 48.610, these funds are allotted by quarter in sufficient amounts to meet the University's operating needs.

If you have any questions, please contact me at (502) 564-1255 or by email at Kathi.Marshall@ky.gov.

Yours very truly,

Kathleen R. Marshall, CPA
Policy and Budget Analyst

Attachment
cc: Roxanne McLetchie

4550 - University of Kentucky								
0100 - General Fund								
QUARTER	Quarter	Allotment Qtr 1 Original FY 15-16	Allotment Qtr 2 Original FY 15-16	Allotment Qtr 3 Original FY 15-16	Allotment Qtr 4 Original FY 15-16	Unallotted Original FY 15-16	Allotment Total Total Original FY 15-16	Object Class Original FY 15-16
		83,883,400	69,902,800	69,902,800	55,922,300		279,611,300	0
Total for -	0100	83,883,400	69,902,800	69,902,800	55,922,300		279,611,300	0
Total -	4550	83,883,400	69,902,800	69,902,800	55,922,300		279,611,300	0
455A - General Operations								
1300 - Agency Revenue Fund								
QUARTER	Quarter	Allotment Qtr 1 Original FY 15-16	Allotment Qtr 2 Original FY 15-16	Allotment Qtr 3 Original FY 15-16	Allotment Qtr 4 Original FY 15-16	Unallotted Original FY 15-16	Allotment Total Total Original FY 15-16	Object Class Original FY 15-16
		1,316,920,400	631,639,900	685,280,400	0		2,633,840,700	0
Total for -	1300	1,316,920,400	631,639,900	685,280,400	0		2,633,840,700	0
Total -	455A	1,316,920,400	631,639,900	685,280,400	0		2,633,840,700	0
Grand Total		1,400,803,800	701,542,700	755,183,200	55,922,300		2,913,452,000	0

RECEIVED AND FILED
DATE January 4, 2016
8:58 am

Road Fund Budget Reduction Order 16-01
COMMONWEALTH OF KENTUCKY
OFFICE OF STATE BUDGET DIRECTOR

ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Adler

**AN ORDER DIRECTING THE REDUCTION OF CERTAIN APPROPRIATIONS
TO APPROPRIATION UNITS OF THE GOVERNMENT OF THE
COMMONWEALTH OF KENTUCKY**

WHEREAS, funds were appropriated for the operation, maintenance, support, and functioning of the Government of the Commonwealth of Kentucky during fiscal year 2015-2016, by the 2014 Regular Session of the General Assembly, based on a Road Fund revenue estimate of \$1,558,400,000 as specified in 2014 Kentucky Acts Chapter 127, Part IV; and

WHEREAS, in accordance with KRS 48.120(3), the Consensus Forecasting Group on December 16, 2015, revised the official Road Fund revenue estimate for fiscal year 2015-2016 to \$1,445,900,000, or \$112,500,000 less than the official revenue estimate as specified in 2014 Kentucky Acts Chapter 127, Part IV; and

WHEREAS, this forecast reduction in Road Fund revenues, if realized as anticipated by the revised official Road Fund revenue estimate, will result in the incurrence of a deficit in the Road Fund finances of the Government of the Commonwealth if funds are allotted to the appropriation units of the Government and expended in accordance with the levels authorized by Chapter 47 of the Kentucky Revised Statutes; and

WHEREAS, the revised Road Fund revenue estimate results in an estimated \$61,952,200 decrease in the statutorily required appropriation amounts for the Revenue Sharing appropriation unit; and

WHEREAS, pursuant to KRS 48.720, an estimated \$18,558,100 in Road Fund debt service appropriations are expected to lapse to the Road Fund surplus account in excess of the amount budgeted to lapse; and

WHEREAS, the Road Fund Budget Reduction Plan as set forth in 2014 Kentucky Acts Chapter 127, Part IV, provides that the Governor shall implement sufficient reductions as may be required to protect the highest level of service and balance fiscal year 2015-2016; and

NOW, THEREFORE, it is hereby found by the State Budget Director, with approval of the Governor of the Commonwealth, and pursuant to the authority vested in the Office of State Budget Director and the Secretary of the Finance and Administration Cabinet by 2014 Kentucky Acts Chapter 127, Part IV, and Chapter 48 of the Kentucky Revised Statutes, that it will be necessary, to prevent a deficit in the finances of the Commonwealth, to reduce the appropriations for fiscal year 2015-2016 to the appropriation units of the Government of the Commonwealth from the amounts appropriated, to the amount hereinafter set forth, and, having so found, it is hereby

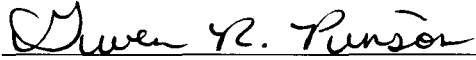
Exhibit 7

ordered and directed that the appropriations to the appropriation units of the Government of the Commonwealth be reduced to, and allotments adjusted on the basis of the amounts hereinafter listed, to wit:

Appropriation Unit	FY 2015-2016 Road Fund Current Appropriations	FY 2015-2016 Road Fund Statutory Reductions	FY 2015-2016 Road Fund Appropriation Reductions	FY 2015-2016 Road Fund Revised Appropriations
General Government				
Homeland Security	262,500			262,500
Treasury	250,000			250,000
Total-General Government	512,500			512,500
Energy and Environment Cabinet				
Environmental Protection	320,900			320,900
Finance and Administration Cabinet				
General Administration	429,000			429,000
Revenue	2,970,600			2,970,600
Total-Finance and Administration Cabinet	3,399,600			3,399,600
Justice and Public Safety Cabinet				
State Police	96,845,800			96,845,800
Tourism, Arts and Heritage Cabinet				
Artisans Center	410,500			410,500
Transportation Cabinet				
General Administration and Support	72,006,800	(349,000)	(968,600)	70,689,200
Aviation	3,041,710	(68,300)	(257,200)	2,716,210
Debt Service	170,387,700	(16,481,800)		153,905,900
Highways	1,116,185,126		(28,781,900)	1,087,403,226
Revenue Sharing	505,654,768	(61,952,200)	(169,300)	443,533,268
Vehicle Regulation	28,464,000	(1,659,000)	(812,700)	25,992,300
Total-Transportation Cabinet	1,895,740,104	(80,510,300)	(30,989,700)	1,784,240,104
Capital Projects				
Maintenance Pool - 2014-2016	3,000,000		(500,000)	2,500,000
Road Maintenance Parks - 2014-2016	1,500,000		(500,000)	1,000,000
Upgrade AASHTOWare	2,600,000			2,600,000
Construct Jackson (D-10) District Office	6,125,000			6,125,000
Construct Manchester (D-11) District Office	5,725,000			5,725,000
Repair Loadometer and Rest Areas - 2014-2016	750,000			750,000
Various Environmental Compliance - 2014-2016	988,000			988,000
Total-Capital Projects	20,688,000		(1,000,000)	19,688,000
GRAND TOTAL-APPROPRIATIONS	2,017,917,404	(80,510,300)	(31,989,700)	1,905,417,404
TOTAL REDUCTIONS		(112,500,000)		

Road Fund Budget Order 16-01

APPROVED AS TO FORM AND LEGALITY:

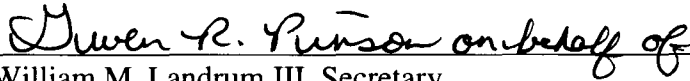


Gwen Pinson, General Counsel
Finance and Administration Cabinet

DONE AT FRANKFORT, KENTUCKY THIS 30th DAY OF DECEMBER, 2015

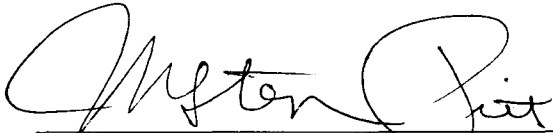


John E. Chilton, State Budget Director
Office of State Budget Director



William M. Landrum III, Secretary
Finance and Administration Cabinet

EXAMINED:



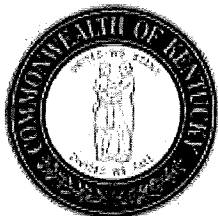
M. Stephen Pitt, General Counsel
Office of the Governor

APPROVED:



Matthew G. Bevin
Governor

From: Governor's Communications Office (Gov Office)
Sent: Friday, April 01, 2016 11:38 AM
To: Ditto, Jessica (Gov Office)
Subject: STATEMENT FROM GOVERNOR BEVIN REGARDING UNIVERSITY BUDGET REDUCTIONS



Commonwealth of Kentucky
Office of the Governor

FOR IMMEDIATE RELEASE

Contact: Jessica Ditto
502-229-0420

**STATEMENT FROM GOVERNOR BEVIN REGARDING UNIVERSITY
BUDGET REDUCTIONS**

FRANKFORT, KY (April 1, 2016) – Yesterday, pursuant to the authority provided in KRS 48.620(1), Governor Bevin reduced current fiscal year public university allotments by 4.5%. The following is a statement from Governor Bevin:

“Our pension system is on the brink of insolvency. We have more than \$35 billion in pension obligations.

“It takes leadership from all stewards of taxpayer dollars to keep our commitments to our teachers and state workers. I appreciate our university presidents who recognize the magnitude of this challenge and are willing to participate and contribute to the solution.

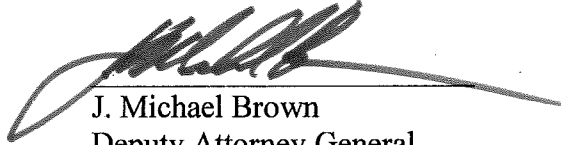
“Once we get our fiscal house in order, Kentucky will be in a much stronger position to make additional investments in higher education.”

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Exhibit 8

VERIFICATION


In my official capacity as the duly appointed Deputy Attorney General for the Commonwealth of Kentucky, I hereby verify that I have reviewed the foregoing Verified Complaint for Declaration of Rights and a Permanent Injunction and the allegations contained therein are true and accurate to the best of my knowledge and belief.


J. Michael Brown
Deputy Attorney General

Commonwealth of Kentucky
County of Frankfort

On this 11th day of April 2016, J. Michael Brown, Affiant herein, did appear before me and sign this Verified Complaint for Declaration of Rights and a Permanent Injunction, stating that such was true and correct to the best of his information and belief.

My Commission Expires: June 20 2019


Notary Public, State at Large, Kentucky