

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
General Fund	233,000	236,600
Restricted Funds	1,440,700	1,408,400
Federal Funds	4,857,600	4,857,600
Road Fund	260,100	262,500
TOTAL	6,791,400	6,765,100

## 5. DEPARTMENT OF VETERANS' AFFAIRS

	2014-15	2015-16
General Fund	17,802,000	17,991,100
Restricted Funds	40,914,000	50,544,900

TOTAL	58,716,000	68,536,000
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(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 \$88,000 in fiscal year 2014-2015 and \$176,000 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 \$21,300,000 in fiscal year 2014-2015 and \$10,500,000 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

	<b>2014-15</b>	<b>2015-16</b>
General Fund	1,337,300	1,573,300
Restricted Funds	37,381,000	42,405,500
Federal Funds	29,369,000	29,381,900
TOTAL	68,087,300	73,360,700

**(1) Debt Service:** Included in the above General Fund appropriation is \$236,000 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) 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**

	<b>2014-15</b>	<b>2015-16</b>
General Fund	9,349,000	9,336,700
Restricted Funds	44,743,800	45,234,900
Federal Funds	43,154,800	43,232,200
<b>TOTAL</b>	<b>97,247,600</b>	<b>97,803,800</b>

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

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

**(3) Debt Service:** Included in the above General Fund appropriation is \$45,500 in fiscal year 2014-2015 and \$136,500 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	7,867,800	7,937,600
Restricted Funds	1,299,900	1,299,900
Federal Funds	41,131,100	41,051,600
TOTAL	50,298,800	50,289,100

##### (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.

#### 12. LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

2014-15	2015-16
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General Fund	50,207,700	48,690,000
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### 13. LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND

	2014-15	2015-16
General Fund	29,522,000	26,702,800

**(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 \$2,643,200 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 two annually.

**(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.

**(28) Dual Credit 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 \$2,300,000 in fiscal year 2015-2016 is appropriated as General Fund moneys to the Morehead State University budget unit for a Dual Credit Program.

#### 14. AREA DEVELOPMENT FUND

	<b>2014-15</b>	<b>2015-16</b>
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

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

#### 16. SECRETARY OF STATE

	<b>2014-15</b>	<b>2015-16</b>
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

	<b>2014-15</b>	<b>2015-16</b>
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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**

	<b>2014-15</b>	<b>2015-16</b>
General Fund	1,200,900	1,220,800

**19. ATTORNEY GENERAL**

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

**(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 is prohibited from circumventing this provision by agreeing to language in a court order that would give his office discretion or control over the disposition of recovered funds.

**(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.

## 20. UNIFIED PROSECUTORIAL SYSTEM

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

### a. Commonwealth's Attorneys

	<b>2014-15</b>	<b>2015-16</b>
General Fund	44,136,500	45,007,300
Restricted Funds	1,657,900	1,714,300
Federal Funds	46,000	48,800
<b>TOTAL</b>	<b>45,840,400</b>	<b>46,770,400</b>

### b. County Attorneys

	<b>2014-15</b>	<b>2015-16</b>
General Fund	38,411,700	39,336,900
Restricted Funds	379,000	437,200
Federal Funds	566,900	566,900
<b>TOTAL</b>	<b>39,357,600</b>	<b>40,341,000</b>

## TOTAL - UNIFIED PROSECUTORIAL SYSTEM

	<b>2014-15</b>	<b>2015-16</b>
General Fund	82,548,200	84,344,200
Restricted Funds	2,036,900	2,151,500
Federal Funds	612,900	615,700
<b>TOTAL</b>	<b>85,198,000</b>	<b>87,111,400</b>

## 21. TREASURY

	<b>2014-15</b>	<b>2015-16</b>
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	11,274,700	10,854,700
Federal Funds	5,495,900	5,495,700
TOTAL	33,753,200	33,641,300

**(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**

	<b>2014-15</b>	<b>2015-16</b>
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**

	<b>2014-15</b>	<b>2015-16</b>
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**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	40,930,800	41,306,800

**(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**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	552,100	558,500

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

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	82,200	82,200

**c. Applied Behavior Analysis Licensing**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	16,000	16,000

**d. Architects**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	435,900	442,700

**e. Certification for Professional Art Therapists**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	11,200	11,200

**f. Auctioneers**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	389,000	393,400

**g. Barbering**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	322,000	327,100

**h. Chiropractic Examiners**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	317,800	323,300

**i. Dentistry**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	894,300	903,000

**j. Licensed Diabetes Educators**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	1,000	1,000

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

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	73,900	73,900

**l. Embalmers and Funeral Directors**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	402,900	409,200

**m. Licensure for Professional Engineers and Land Surveyors**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	1,311,800	1,328,600

**n. Certification of Fee-Based Pastoral Counselors**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	3,600	3,600

**o. Registration for Professional Geologists**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	106,900	106,900

**p. Hairdressers and Cosmetologists**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	1,374,700	1,397,400

**q. Specialists in Hearing Instruments**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	81,100	81,100

**r. Interpreters for the Deaf and Hard of Hearing**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	38,200	38,200

**s. Home Inspectors**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	83,800	83,800

**t. Examiners and Registration of Landscape Architects**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	65,100	66,600

**u. Licensure of Marriage and Family Therapists**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	116,400	116,400

**v. Licensure for Massage Therapy**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	168,600	168,600

**w. Medical Imaging and Radiation Therapy**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	393,100	393,600

**x. Medical Licensure**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	2,940,400	2,972,500

**y. Nursing**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	6,201,300	6,270,400

**z. Licensure for Nursing Home Administrators**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	61,100	61,100

**aa. Licensure for Occupational Therapy**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	146,600	146,600



**ab. Ophthalmic Dispensers**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	55,200	55,200

**ac. Optometric Examiners**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	207,000	209,400

**ad. Pharmacy**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	1,638,800	1,661,400

**ae. Physical Therapy**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	469,000	499,400

**af. Podiatry**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	38,900	38,200

**ag. Private Investigators**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	101,500	101,500

**ah. Licensed Professional Counselors**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	184,900	184,900

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

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	46,200	46,200

**aj. Examiners of Psychology**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	236,400	236,400

**ak. Real Estate Appraisers**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	757,000	766,300

**al. Real Estate Commission**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	2,105,800	2,200,900

**am. Respiratory Care**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	206,700	210,000

**an. Social Work**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	276,100	279,300

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

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	170,100	170,100

**ap. Veterinary Examiners**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	277,600	277,600

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

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	23,362,200	23,713,700

**27. KENTUCKY RIVER AUTHORITY**

	<b>2014-15</b>	<b>2015-16</b>
General Fund	251,200	255,500
Restricted Funds	5,460,500	3,271,800
<b>TOTAL</b>	<b>5,711,700</b>	<b>3,527,300</b>

(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	108,778,500

(1) **Debt Service:** Included in the above General Fund appropriation is \$525,000 in fiscal year 2014-2015 and \$8,437,500 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) **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).

**(5) 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.

## 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**

	<b>2014-15</b>	<b>2015-16</b>
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**

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
General Fund (Tobacco)	-0-	33,614,100	14,733,700
General Fund	-0-	682,364,900	662,913,000
Restricted Funds	-0-	251,257,500	264,667,300
Federal Funds	233,400	135,234,300	135,589,000
Road Fund	-0-	510,100	512,500
<b>TOTAL</b>	<b>233,400</b>	<b>1,102,980,900</b>	<b>1,078,415,500</b>

**B. ECONOMIC DEVELOPMENT CABINET**

**Budget Units**

**1. ECONOMIC DEVELOPMENT**

	<b>2014-15</b>	<b>2015-16</b>
General Fund	19,001,800	35,035,600
Restricted Funds	2,711,200	2,749,600
Federal Funds	-0-	5,100,000
<b>TOTAL</b>	<b>21,713,000</b>	<b>42,885,200</b>

**(1) Funding for Commercialization and Innovation:** Notwithstanding KRS 154.12-278, interest income earned on the balances in the High-Tech Construction/Investment Pool and loan repayments received by the High-Tech

Construction/Investment Pool shall be used to support the Office of Entrepreneurship and are appropriated in addition to amounts appropriated above.

(2) **Debt Service:** Included in the above General Fund appropriation is \$931,000 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).

### C. DEPARTMENT OF EDUCATION

#### Budget Units

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

	2014-15	2015-16
General Fund	2,972,215,700	3,009,435,600

(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.

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 are encouraged to provide salary increases for certified and classified staff based on the availability of new Support Education Excellence in Kentucky funds in each fiscal year.

**(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 \$10,698,400 in fiscal year 2014-2015 and \$10,686,700 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. 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.

**(19) Equalization Funding for Critical Construction Needs Schools:** 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; 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 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	50,313,000	54,061,600
Restricted Funds	8,199,700	8,275,500
Federal Funds	328,484,800	328,656,500
TOTAL	386,997,500	390,993,600

**(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 \$63,000 in fiscal year 2014-2015 and \$189,000 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 \$19,699,500 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 \$400,000 in fiscal year 2014-2015 and \$800,000 in fiscal year 2015-2016 for the Statewide IT Academy.

### 3. LEARNING AND RESULTS SERVICES

	2014-15	2015-16
General Fund	984,663,800	1,012,300,500
Restricted Funds	24,577,600	25,634,300
Federal Funds	559,363,000	559,730,700
TOTAL	1,568,604,400	1,597,665,500

**(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) 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.

**(5) 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.

**(6) 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.

**(7) 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.

**(8) 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.

**(9) 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.

**(10) 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) \$18,905,900 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 each fiscal year for the Preschool Program;

(s) \$8,648,800 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.

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

**(12) 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.

**(13) 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.

**(14) 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.

**(15) 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.

**(16) Teach for America:** Included in the above General Fund appropriation is \$500,000 in each fiscal year for Teach for America.

**TOTAL - DEPARTMENT OF EDUCATION**

	<b>2014-15</b>	<b>2015-16</b>
General Fund	4,007,192,500	4,075,797,700
Restricted Funds	32,777,300	33,909,800
Federal Funds	887,847,800	888,387,200
<b>TOTAL</b>	<b>4,927,817,600</b>	<b>4,998,094,700</b>

**D. EDUCATION AND WORKFORCE DEVELOPMENT CABINET**

**Budget Units**

**1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT**

	<b>2014-15</b>	<b>2015-16</b>
General Fund	4,302,600	4,368,600
Restricted Funds	5,131,300	5,398,300
Federal Funds	659,800	340,500
<b>TOTAL</b>	<b>10,093,700</b>	<b>10,107,400</b>

**(1) Governor's Scholars Program:** Included in the above General Fund appropriation is \$1,837,100 in fiscal year 2014-2015 and \$1,838,900 in fiscal year 2015-2016 for the Governor's Scholars Program.

**2. PROPRIETARY EDUCATION**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	272,300	283,100

**3. DEAF AND HARD OF HEARING**

	<b>2014-15</b>	<b>2015-16</b>
General Fund	861,300	883,200
Restricted Funds	1,109,200	1,109,200

TOTAL		1,970,500	1,992,400
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#### 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	7,325,900	9,325,900
Restricted Funds	895,700	895,700
Federal Funds	556,600	514,500
TOTAL	8,778,200	10,736,100

(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 \$2,000,000 in fiscal year 2014-2015 and \$4,000,000 in fiscal year 2015-2016 for the Public Libraries Facilities Construction Fund.

**TOTAL - LIBRARIES AND ARCHIVES**

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
General Fund	-0-	13,444,200	15,543,400
Restricted Funds	777,900	4,378,400	3,175,400
Federal Funds	-0-	2,704,600	2,739,900
<b>TOTAL</b>	<b>777,900</b>	<b>20,527,200</b>	<b>21,458,700</b>

**7. OFFICE FOR THE BLIND**

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

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

**8. EMPLOYMENT AND TRAINING**

	<b>2014-15</b>	<b>2015-16</b>
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
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## 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	6,942,100	6,996,300
Restricted Funds	1,722,900	750,100
Federal Funds	201,400	205,300
TOTAL	8,866,400	7,951,700

(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**

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
General Fund	-0-	51,558,400	54,159,300
Restricted Funds	1,708,400	48,779,400	46,963,300
Federal Funds	-0-	1,179,311,400	1,183,422,300
<b>TOTAL</b>	<b>1,708,400</b>	<b>1,279,649,200</b>	<b>1,284,544,900</b>

**E. ENERGY AND ENVIRONMENT CABINET****Budget Units****1. SECRETARY**

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

**2. ENVIRONMENTAL PROTECTION**

	<b>2014-15</b>	<b>2015-16</b>
General Fund	21,417,700	21,847,900
Restricted Funds	69,683,300	70,010,200
Federal Funds	23,702,400	23,230,900
Road Fund	316,400	320,900
<b>TOTAL</b>	<b>115,119,800</b>	<b>115,409,900</b>

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

**(2) Debt Service:** Included in the above General Fund appropriation is \$28,500 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.

**(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	32,306,300	33,003,000
Restricted Funds	-0-	16,406,700	16,317,400
Federal Funds	-0-	56,091,300	56,453,100
TOTAL	742,600	110,804,300	105,773,500

**(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 \$2,643,200 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 two annually.

**(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**

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

**6. PUBLIC SERVICE COMMISSION**

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

**(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.

**TOTAL - ENERGY AND ENVIRONMENT CABINET**

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
General Fund (Tobacco)	-0-	6,000,000	-0-
General Fund	742,600	76,420,300	77,538,300
Restricted Funds	-0-	90,426,100	90,053,800
Federal Funds	-0-	81,773,500	81,603,700



Road Fund	-0-	316,400	320,900
TOTAL	742,600	254,936,300	249,516,700

## F. FINANCE AND ADMINISTRATION CABINET

### Budget Units

#### 1. GENERAL ADMINISTRATION

	2014-15	2015-16
General Fund	8,120,600	10,181,900
Restricted Funds	33,301,200	35,014,200
Federal Funds	3,177,000	3,177,000
Road Fund	422,900	429,000
TOTAL	45,021,700	48,802,100

**(1) Debt Service:** Included in the above General Fund appropriation is \$1,148,000 in fiscal year 2014-2015 and \$2,848,000 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.

#### 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	5,630,900	6,158,800
Restricted Funds	42,084,600	42,398,800
TOTAL	47,715,500	48,557,600

(1) **Debt Service:** Included in the above General Fund appropriation is \$286,000 in fiscal year 2014-2015 and \$703,000 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. 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**

	<b>2014-15</b>	<b>2015-16</b>
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**

	<b>2014-15</b>	<b>2015-16</b>
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**

	<b>2014-15</b>	<b>2015-16</b>
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**

	<b>2014-15</b>	<b>2015-16</b>
General Fund (Tobacco)	30,820,000	30,907,000
General Fund	589,677,300	594,340,400
Restricted Funds	237,036,100	237,181,900
Federal Funds	5,168,000	5,168,000
Road Fund	3,335,700	3,399,600
<b>TOTAL</b>	<b>866,037,100</b>	<b>870,996,900</b>

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

##### **Budget Units**

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

	<b>2014-15</b>	<b>2015-16</b>
General Fund	28,455,100	29,042,100
Restricted Funds	13,865,600	16,900,200
Federal Funds	50,572,900	42,809,700
<b>TOTAL</b>	<b>92,893,600</b>	<b>88,752,000</b>

**(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 \$109,500 in fiscal year 2014-2015 and \$328,500 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.

**(3) Reallocation of Appropriations Among Budget Units:** The Secretary of the Cabinet for Health and Family Services shall operate the Cabinet within the appropriations for the Cabinet authorized in this Act. The Secretary may request a revision or reallocation among the departments and offices of the Cabinet up to 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**

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

**3. MEDICAID SERVICES**

**a. Medicaid Administration**

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

**(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**

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
General Fund	-0-	1,533,524,400	1,586,193,200
Restricted Funds	55,911,100	492,154,700	458,936,000
Federal Funds	751,450,800	5,914,098,100	6,217,178,100
<b>TOTAL</b>	<b>807,361,900</b>	<b>7,939,777,200</b>	<b>8,262,307,300</b>

**(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.

**TOTAL - MEDICAID SERVICES**

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
General Fund	-0-	1,566,838,900	1,619,591,800
Restricted Funds	55,911,100	508,925,000	476,336,000
Federal Funds	751,450,800	5,991,409,400	6,294,888,000
<b>TOTAL</b>	<b>807,361,900</b>	<b>8,067,173,300</b>	<b>8,390,815,800</b>

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

	<b>2014-15</b>	<b>2015-16</b>
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	68,824,000	68,319,300
Restricted Funds	97,016,400	97,160,000
Federal Funds	199,916,700	186,493,400
TOTAL	379,823,400	365,356,500

**(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 \$216,500 in fiscal year 2014-2015 and \$433,000 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

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

## 7. FAMILY RESOURCE CENTERS AND VOLUNTEER SERVICES

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

## 8. INCOME SUPPORT

	<b>2014-15</b>	<b>2015-16</b>
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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
General Fund (Tobacco)	8,715,000	8,715,000
General Fund	383,634,800	406,581,400
Restricted Funds	144,426,800	146,854,500
Federal Funds	494,982,700	504,901,400
TOTAL	1,031,759,300	1,067,052,300

(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.

#### 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
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General Fund (Tobacco)	-0-	23,672,700	22,990,200
General Fund	-0-	2,309,601,800	2,378,388,300
Restricted Funds	55,911,100	1,032,375,400	1,014,766,300
Federal Funds	751,450,800	6,906,340,900	7,182,026,800
TOTAL	807,361,900	10,271,990,800	10,598,171,600

## 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	10,820,700	10,960,300
Restricted Funds	3,893,500	3,814,600
Federal Funds	11,135,600	11,135,600
TOTAL	27,550,000	27,151,600

(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) **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.

(4) **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-	82,057,800	83,872,700
Restricted Funds	980,000	10,490,200	10,161,300
Federal Funds	-0-	11,705,800	11,705,800
TOTAL	980,000	104,253,800	105,739,800

(1) **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.

(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	75,205,000	76,683,000
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	205,216,600	207,857,000

(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 \$263,000 in fiscal year 2014-2015 and \$526,000 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 \$1,768,800 in each fiscal year to support 25 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**

	<b>2014-15</b>	<b>2015-16</b>
General Fund	244,860,800	247,881,500
Restricted Funds	17,252,800	17,431,600
Federal Funds	1,805,500	521,500
<b>TOTAL</b>	<b>263,919,100</b>	<b>265,834,600</b>

**(1) Debt Service:** Included in the above General Fund appropriation is \$120,500 in fiscal year 2014-2015 and \$361,500 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**

	<b>2014-15</b>	<b>2015-16</b>
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.

**d. Local Jail Support**

	<b>2014-15</b>	<b>2015-16</b>
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**

	<b>2014-15</b>	<b>2015-16</b>
General Fund	466,335,800	474,559,700
Restricted Funds	23,382,800	23,561,600
Federal Funds	3,073,200	961,100
<b>TOTAL</b>	<b>492,791,800</b>	<b>499,082,400</b>

**6. PUBLIC ADVOCACY**

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
General Fund	4,400,000	46,854,300	48,012,900
Restricted Funds	-0-	3,177,600	3,035,900
Federal Funds	-0-	1,320,400	1,320,400
<b>TOTAL</b>	<b>4,400,000</b>	<b>51,352,300</b>	<b>52,369,200</b>

**(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**

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
General Fund (Tobacco)	-0-	1,700,200	1,241,100
General Fund	11,625,400	681,273,600	694,088,600
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
<b>TOTAL</b>	<b>12,605,400</b>	<b>933,404,500</b>	<b>944,240,000</b>

**I. LABOR CABINET**

**Budget Units**

**1. SECRETARY**

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

**2. GENERAL ADMINISTRATION AND PROGRAM SUPPORT**

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

**3. WORKPLACE STANDARDS**

	<b>2014-15</b>	<b>2015-16</b>
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

**(1) Gainful Employment:** As used in KRS 339.220 to 339.450, "gainful employment" does not include employment as a referee, umpire, or official in a youth athletic program.

#### 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 primary target population shall be established patients that 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 in each fiscal year from the State Group Health Trust and State Medicaid Benefits 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 Benefits 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 August 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 August 31, 2015.

Should the Legislative Research Commission find that the proof of concept demonstrates an annual savings, the Personnel Cabinet and the Cabinet for Health and Family Services may 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.

The funds from the mandated reduction percentage confirmed by the two demonstration projects may then be conditionally appropriated by the General Assembly for the remainder of the plan year 2015 and the plan year 2016.

**2. PUBLIC EMPLOYEES DEFERRED COMPENSATION AUTHORITY**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	9,112,100	9,161,500

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

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	25,637,200	26,651,400

**4. STATE GROUP HEALTH INSURANCE FUND**

	<b>2014-15</b>	<b>2015-16</b>
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**

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

**K. POSTSECONDARY EDUCATION****Budget Units****1. COUNCIL ON POSTSECONDARY EDUCATION**

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
General Fund (Tobacco)	-0-	4,972,500	3,607,500
General Fund	-0-	42,602,900	47,764,500
Restricted Funds	293,800	6,022,400	6,027,600

Federal Funds	-0-	18,073,800	18,102,500
TOTAL	293,800	71,671,600	75,502,100

**(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) Debt Service:** Included in the above General Fund appropriation is \$53,500 in fiscal year 2014-2015 and \$4,851,000 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) 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.

**(5) 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.

**(6) 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.

**(7) 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.

**(8) 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.

**(9) 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.

**(10) 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

	<b>2014-15</b>	<b>2015-16</b>
General Fund	69,069,800	69,069,800
Restricted Funds	180,928,200	185,699,400
Federal Funds	94,840,200	99,582,200
TOTAL	344,838,200	354,351,400

**(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	23,786,400	23,786,400
Restricted Funds	33,476,500	34,145,400
Federal Funds	19,844,700	19,844,700
TOTAL	77,107,600	77,776,500

#### 5. MOREHEAD STATE UNIVERSITY

	2014-15	2015-16
General Fund	41,664,500	43,964,500
Restricted Funds	108,154,500	113,707,200
Federal Funds	95,821,100	96,805,700
TOTAL	245,640,100	254,477,400

**(1) Dual Credit Program:** Notwithstanding KRS 42.4592, included in the above General Fund appropriation is \$2,300,000 in fiscal year 2015-2016 from the Local Government Economic Development Fund for a Dual Credit Program.

#### 6. MURRAY STATE UNIVERSITY

	<b>2014-15</b>	<b>2015-16</b>
General Fund	48,756,400	48,756,400
Restricted Funds	113,365,200	119,130,100
Federal Funds	18,755,500	18,755,500
TOTAL	180,877,100	186,642,000

**(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**

	<b>2014-15</b>	<b>2015-16</b>
General Fund	49,276,700	49,276,700
Restricted Funds	194,333,800	203,785,400
Federal Funds	15,171,600	15,171,600
TOTAL	258,782,100	268,233,700

#### **8. UNIVERSITY OF KENTUCKY**

	<b>2014-15</b>	<b>2015-16</b>
General Fund	283,869,300	283,869,300
Restricted Funds	2,309,116,700	2,404,130,300
Federal Funds	217,443,000	229,710,400
TOTAL	2,810,429,000	2,917,710,000

**(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	141,194,800	142,534,200
Restricted Funds	990,331,600	1,012,352,500
Federal Funds	97,877,000	96,632,000
TOTAL	1,229,403,400	1,251,518,700

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

## 10. WESTERN KENTUCKY UNIVERSITY

	2014-15	2015-16
General Fund	73,755,700	75,755,700
Restricted Funds	282,396,800	287,859,800
Federal Funds	44,599,000	44,599,000
TOTAL	400,751,500	408,214,500

## 11. KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

	2014-15	2015-16
General Fund	188,231,700	188,231,700
Restricted Funds	478,250,500	505,909,500

Federal Funds	284,664,600	298,927,800
TOTAL	951,146,800	993,069,000

**(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.

**(8) Firefighter Testing:** Notwithstanding KRS 95A.040(2)(b), the candidate

physical agility test shall be required for all firefighter candidates hired on or after January 1, 2016.

**TOTAL - POSTSECONDARY EDUCATION**

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
General Fund (Tobacco)	-0-	6,072,500	4,707,500
General Fund	1,800,000	1,164,049,400	1,178,311,200
Restricted Funds	293,800	4,724,771,600	4,901,204,100
Federal Funds	-0-	907,149,800	938,190,700
<b>TOTAL</b>	<b>2,093,800</b>	<b>6,802,043,300</b>	<b>7,022,413,500</b>

**L. PUBLIC PROTECTION CABINET**

**Budget Units**

**1. SECRETARY**

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

**2. BOXING AND WRESTLING AUTHORITY**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	167,100	169,100

**3. ALCOHOLIC BEVERAGE CONTROL**

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

**4. CHARITABLE GAMING**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	3,474,000	3,489,300



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

	<b>2014-15</b>	<b>2015-16</b>
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**

	<b>2014-15</b>	<b>2015-16</b>
Restricted Funds	10,612,100	10,984,400

**7. HORSE RACING COMMISSION**

	<b>2014-15</b>	<b>2015-16</b>
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 \$600,000 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**

	<b>2014-15</b>	<b>2015-16</b>
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

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

## 10. TAX APPEALS

	<b>2014-15</b>	<b>2015-16</b>
General Fund	464,300	471,800

### **TOTAL - PUBLIC PROTECTION CABINET**

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

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

#### **Budget Units**

#### **1. SECRETARY**

	<b>2014-15</b>	<b>2015-16</b>
General Fund	2,544,100	2,598,300
Restricted Funds	13,410,000	12,586,500
<b>TOTAL</b>	<b>15,954,100</b>	<b>15,184,800</b>

**(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. 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	33,608,300	34,507,000
Restricted Funds	-0-	49,301,900	49,298,100

TOTAL	8,216,900	82,910,200	83,805,100
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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 \$411,000 in fiscal year 2014-2015 and \$995,500 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	3,723,600	1,910,900
Restricted Funds	-0-	42,715,200	46,189,600
TOTAL	10,500,000	46,438,800	48,100,500

**(1) Debt Service-General Fund:** Included in the above General Fund appropriation is \$15,500 in fiscal year 2014-2015 and \$174,000 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) 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

	<b>2014-15</b>	<b>2015-16</b>
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**

	<b>2014-15</b>	<b>2015-16</b>
General Fund	5,784,800	6,011,400
Restricted Funds	457,800	457,800
Federal Funds	537,100	363,700
TOTAL	6,779,700	6,832,900

**(1) Debt Service:** Included in the above General Fund appropriation is \$138,000 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**

	<b>2014-15</b>	<b>2015-16</b>
General Fund	2,767,300	2,796,200
Restricted Funds	151,600	151,600
Federal Funds	759,800	759,800
TOTAL	3,678,700	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.

#### 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	845,200	941,700

(1) **Debt Service:** Included in the above General Fund appropriation is \$96,500 in fiscal year 2014-2015 and \$193,000 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	55,965,600	55,582,300
Restricted Funds	-0-	153,170,000	154,966,600
Federal Funds	-0-	20,006,400	18,320,000
Road Fund	-0-	393,400	410,500
TOTAL	18,716,900	229,535,400	229,279,400

#### N. BUDGET RESERVE TRUST FUND

##### Budget Unit

**1. BUDGET RESERVE TRUST FUND**

	<b>2014-15</b>	<b>2015-16</b>
General Fund	-0-	26,903,800

**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**

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

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-
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**005.** Construct Building 196 – Bluegrass Station

Other Funds	8,000,000	-0-
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**(1) Authorization:** The above authorization is approved pursuant to KRS

45.763.

**006.** Construct Building 223 – Bluegrass Station

Other Funds	7,000,000	-0-
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**(1) Authorization:** The above authorization is approved pursuant to KRS

45.763.

**007.** Construct Qualification Training Range – WHFRTC

Federal Funds	6,515,000	-0-
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**008.** Construct Building 198 – Bluegrass Station

Other Funds	5,850,000	-0-
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**(1) Authorization:** The above authorization is approved pursuant to KRS

45.763.

**009.** Construct Building 197 – Bluegrass Station

Other Funds	5,750,000	-0-
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**(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
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**011.** Renovation of Butler Building Property Phase 2 – Louisville

Restricted Funds	2,000,000	-0-
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**012.** Upgrade of Security Infrastructure – Bluegrass Station

Restricted Funds	1,500,000	-0-
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**013.** Construct New Access Road – Bluegrass Station

Restricted Funds	1,000,000	-0-
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**014.** Construct Replacement Human Resources Office Building – Frankfort

– Additional Reauthorization (\$275,000 Restricted Funds, \$825,000

Federal Funds)

Restricted Funds	250,000	-0-
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Federal Funds	750,000	-0-
TOTAL	1,000,000	-0-
<b>015. Demolish Obsolete Structures – Bluegrass Station</b>		
Restricted Funds	1,000,000	-0-
<b>016. Construct Chemical Enhanced Response Force Package Building Phase II – Frankfort</b>		
Federal Funds	950,000	-0-
<b>017. Demolition of Combined Support Maintenance Shop – Frankfort</b>		
Federal Funds	825,000	-0-
<b>018. Construct Pole Barns at Bluegrass Station Reauthorization (\$2,200,000 Restricted Funds)</b>		
<b>019. Renovate Butler Reserve Center – Louisville Reauthorization (\$5,000,000 Restricted Funds)</b>		
<b>4. ATTORNEY GENERAL</b>		
<b>001. Franklin County – Lease</b>		
<b>5. UNIFIED PROSECUTORIAL SYSTEM</b>		
<b>a. Commonwealth's Attorneys</b>		
<b>001. Jefferson County – Lease</b>		
<b>6. TREASURY</b>		
<b>001. Lease-Purchase Check Printers and Fold Sealers</b>		
Investment Income	163,000	163,000
<b>7. AGRICULTURE</b>		
<b>001. Franklin County – Lease</b>		
<b>002. Jefferson County – Lease</b>		
<b>8. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS</b>		
<b>a. Nursing</b>		
<b>001. Jefferson County – Lease</b>		

**9. KENTUCKY RIVER AUTHORITY****001. Design Dam 10**

Restricted Funds	2,200,000	-0-
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**10. SCHOOL FACILITIES CONSTRUCTION COMMISSION****001. Offers of Assistance – 2012-2014**

Bond Funds	100,000,000	-0-
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**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.

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

#### **C. DEPARTMENT OF EDUCATION**

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

#### **D. EDUCATION AND WORKFORCE DEVELOPMENT CABINET**

<b>Budget Units</b>	<b>2014-15</b>	<b>2015-16</b>
<b>1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT</b>		
<b>001. Maintenance Pool – 2014-2016</b>		
Investment Income	400,000	400,000
<b>2. KENTUCKY EDUCATIONAL TELEVISION</b>		
<b>001. Maintenance Pool – 2014-2016</b>		
Investment Income	300,000	300,000

#### **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-
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**E. ENERGY AND ENVIRONMENT CABINET**

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

Federal Funds	5,000,000	5,000,000
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**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**

<b>Budget Units</b>	<b>2014-15</b>	<b>2015-16</b>
<b>1. GENERAL ADMINISTRATION</b>		
<b>001. Next Generation Kentucky Information Highway</b>		
Federal Funds	20,000,000	-0-
Bond Funds	25,000,000	-0-
Other Funds	20,000,000	-0-
TOTAL	65,000,000	-0-
<b>002. Business One-Stop Portal – Phase II</b>		
General Fund	-0-	2,600,000
Bond Funds	-0-	4,143,000
TOTAL	-0-	6,743,000
<b>003. High Speed Inserters</b>		
Restricted Funds	1,050,000	-0-
<b>2. FACILITIES AND SUPPORT SERVICES</b>		
<b>001. Maintenance Pool – 2014-2016</b>		
Bond Funds	3,000,000	3,000,000
<b>002. Upgrade State Data Center Readiness</b>		
Bond Funds	2,000,000	-0-
<b>003. Install Energy Management System Controls</b>		
Bond Funds	1,500,000	-0-
<b>004. Guaranteed Energy Savings Performance Contracts</b>		
<b>005. Lease-Purchase State Office Building – Franklin County</b>		

(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**

<b>Budget Units</b>	<b>2014-15</b>	<b>2015-16</b>
<b>1. CRIMINAL JUSTICE TRAINING</b>		
001. Records and Registration Information System Replacement		
Restricted Funds	400,000	-0-
<b>2. JUVENILE JUSTICE</b>		
001. Maintenance Pool – 2014-2016		
Investment Income	500,000	500,000
<b>3. STATE POLICE</b>		
001. Replace/Upgrade Mobile Data Computers		
Bond Funds	2,000,000	-0-
002. Purchase Gas Chromatography/Mass Spectrometers		
Bond Funds	1,000,000	-0-
003. Maintenance Pool – 2014-2016		
Investment Income	400,000	400,000
<b>4. CORRECTIONS</b>		
<b>a. Corrections Management</b>		
001. Upgrade Kentucky Offender Management System		
Capital Construction Surplus	1,000,000	-0-
<b>b. Adult Correctional Institutions</b>		
001. Maintenance Pool – 2014-2016		
Bond Funds	2,750,000	2,750,000
<b>5. PUBLIC ADVOCACY</b>		
001. Fayette County – Lease		



002. Franklin County – Lease

### I. LABOR CABINET

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

<b>Budget Units</b>	<b>2014-15</b>	<b>2015-16</b>
<b>1. COUNCIL ON POSTSECONDARY EDUCATION</b>		
<b>001. Franklin County – Lease</b>		
<b>2. KENTUCKY HIGHER EDUCATION STUDENT LOAN CORPORATION</b>		
<b>001. Jefferson County – Lease</b>		
<b>3. EASTERN KENTUCKY UNIVERSITY</b>		
<b>001. Construct Science Building – Phase 2 and 3</b>		
Restricted Funds	25,000,000	-0-
<b>002. Expand, Upgrade Campus Data Network</b>		
Restricted Funds	7,212,000	6,000,000
<b>003. Construct Regional Health Facility</b>		
Federal Funds	12,500,000	-0-
<b>004. Construct Bio-Fuels Research Facility</b>		
Federal Funds	12,240,000	-0-
<b>005. EKU-UK Dairy Research Project (Meadowbrook Farm)</b>		
Restricted Funds	10,360,000	-0-
<b>006. Miscellaneous Maintenance Pool – 2014-2016</b>		
Restricted Funds	5,000,000	5,000,000
<b>007. Renovate HVAC Systems</b>		
Restricted Funds	10,000,000	-0-
<b>008. Construct Student Athlete Support Facility</b>		
Restricted Funds	7,823,000	-0-
<b>009. Purchase Networked Education System Component</b>		
Restricted Funds	3,450,000	3,500,000
<b>010. Renovate HVAC Systems – Additional</b>		
Restricted Funds	5,500,000	-0-

<b>011.</b> Purchase Minor Projects Equipment		
Restricted Funds	5,000,000	-0-
<b>012.</b> Upgrade Academic Computing		
Restricted Funds	2,500,000	2,500,000
<b>013.</b> Construct Addition to Ashland Building		
Restricted Funds	3,400,000	-0-
<b>014.</b> Construct ECU Early Childhood Center		
Restricted Funds	3,350,000	-0-
<b>015.</b> Expand Indoor Tennis Facility		
Other Funds	3,225,000	-0-
<b>016.</b> Upgrade Administrative Computing System		
Restricted Funds	1,650,000	1,500,000
<b>017.</b> Purchase of Adjacent Property		
Restricted Funds	3,000,000	-0-
<b>018.</b> Renovate Property		
Other Funds	3,000,000	-0-
<b>019.</b> Renovate Student Health Center		
Restricted Funds	2,705,000	-0-
<b>020.</b> Commonwealth Hall Partial Repurposing and Renovation		
Restricted Funds	2,500,000	-0-
<b>021.</b> Renovate Alumni Coliseum and Weaver Pools		
Restricted Funds	2,500,000	-0-
<b>022.</b> Renovate Baseball Complex		
Other Funds	-0-	2,200,000
<b>023.</b> Construct Aviation Instruction Facility		
Restricted Funds	-0-	2,000,000
<b>024.</b> Martin Hall Repurposing and Partial Renovation		

Restricted Funds	2,000,000	-0-
<b>025. Purchase Video Board and Sound System for Alumni Coliseum</b>		
Restricted Funds	750,000	-0-
Other Funds	750,000	-0-
TOTAL	1,500,000	-0-
<b>026. Renovate Women's Softball Complex</b>		
Other Funds	1,500,000	-0-
<b>027. Renovate Lancaster Center Building</b>		
Other Funds	1,472,000	-0-
<b>028. Renovate Begley Building Concrete</b>		
Restricted Funds	1,250,000	-0-
<b>029. Install Lights for Baseball, Softball, and Soccer</b>		
Other Funds	1,224,000	-0-
<b>030. Construct Pedestrian Bridge</b>		
Restricted Funds	600,000	-0-
Other Funds	600,000	-0-
TOTAL	1,200,000	-0-
<b>031. Renovate Blanton House</b>		
Restricted Funds	1,100,000	-0-
<b>032. Renovate Ambulance Building</b>		
Restricted Funds	980,000	-0-
<b>033. Construct E&amp;G Life Safety Begley Elevator</b>		
Restricted Funds	765,000	-0-
<b>034. Madison County – Student Housing – Lease</b>		
<b>035. Construct College of Education Complex (Model Laboratory School)</b>		
Restricted Funds	83,455,000	-0-
<b>036. Construct University Activity Center, Phase II</b>		

	Restricted Funds	31,900,000	-0-
<b>037.</b>	Construct New Student Housing		
	Restricted Funds	36,000,000	-0-
<b>038.</b>	Renovate Residence Hall		
	Restricted Funds	12,500,000	-0-
<b>039.</b>	Renovate Whalen Complex		
	Restricted Funds	22,837,000	-0-
<b>040.</b>	Construct University Information Technology Center		
	Restricted Funds	41,397,000	-0-
<b>4.</b>	<b>KENTUCKY STATE UNIVERSITY</b>		
<b>001.</b>	Renovate Atwood Agricultural Research Building		
	Federal Funds	12,368,000	-0-
<b>002.</b>	Construct Aquaculture Academic Research Facility		
	Federal Funds	7,443,000	-0-
<b>003.</b>	Upgrade Information Technology Infrastructure		
	Restricted Funds	6,261,000	-0-
<b>004.</b>	Renovate Jackson Hall – Phase II		
	Restricted Funds	5,628,000	-0-
<b>005.</b>	Renovate Computer Lab in Hill Student Center		
	Restricted Funds	5,389,000	-0-
<b>006.</b>	Expand Emergency Notification System		
	Restricted Funds	4,580,000	-0-
<b>007.</b>	Roof Repair and Replacement Pool – 2014-2016		
	Restricted Funds	3,375,000	-0-
<b>008.</b>	Acquire Land/Campus Master Plan – 2014-2016		
	Restricted Funds	1,000,000	-0-
	Federal Funds	1,000,000	-0-

TOTAL	2,000,000	-0-
<b>009.</b> Athletics Project Pool – 2014-2016		
Restricted Funds	1,702,000	-0-
<b>010.</b> Capital Renewal and Maintenance Projects Pool – 2014-2016		
Restricted Funds	1,460,000	-0-
<b>011.</b> Life Safety Upgrade Pool – 2014-2016		
Restricted Funds	1,363,000	-0-
<b>012.</b> Replace Alumni House		
Restricted Funds	1,241,000	-0-
<b>013.</b> Upgrade Computers Campus Wide		
Restricted Funds	1,208,000	-0-
<b>014.</b> Create Pedestrian Mall Hathaway Hall – Hume Hall		
Restricted Funds	1,125,000	-0-
<b>015.</b> Develop Bicycle/Pedestrian Trail		
Restricted Funds	1,025,000	-0-
<b>016.</b> Improve Campus Landscape and Signage		
Restricted Funds	906,000	-0-
<b>017.</b> Construct New Residence Hall Reauthorization (\$52,762,000 Other Funds)		
<b>5. MOREHEAD STATE UNIVERSITY</b>		
<b>001.</b> Construct Food Service/Retail and Parking Structure		
Other Funds	2,000,000	-0-
<b>002.</b> Construct Veterinary Technology Clinical Sciences Center		
Restricted Funds	11,522,000	-0-
<b>003.</b> Construct University Welcome Center/Alumni House		
Restricted Funds	3,711,000	-0-
Other Funds	6,000,000	-0-

TOTAL	9,711,000	-0-
<b>004.</b> Capital Renewal and Maintenance Pool – E&G		
Restricted Funds	6,259,000	-0-
<b>005.</b> Enhance Network/Infrastructure Resources		
Restricted Funds	5,945,000	-0-
<b>006.</b> Upgrade Instructional PCs/LANS/Peripherals		
Restricted Funds	5,000,000	-0-
<b>007.</b> Acquire Land Related to Master Plan		
Restricted Funds	4,000,000	-0-
<b>008.</b> Upgrade Administrative Office Systems		
Restricted Funds	4,000,000	-0-
<b>009.</b> Comply with ADA – E&G		
Restricted Funds	3,877,000	-0-
<b>010.</b> Renovate McClure Pool		
Restricted Funds	2,600,000	-0-
<b>011.</b> Upgrade Campus Fire and Security Systems		
Restricted Funds	3,000,000	-0-
<b>012.</b> Construct Honors College Facility		
Restricted Funds	2,884,000	-0-
<b>013.</b> Reconstruct Central Campus		
Restricted Funds	2,810,000	-0-
<b>014.</b> Capital Renewal and Maintenance Pool – Auxiliary		
Restricted Funds	2,668,000	-0-
<b>015.</b> Replace Electrical Switchgear		
Restricted Funds	2,660,000	-0-
<b>016.</b> Purchase Instructional Technology Initiatives		
Restricted Funds	2,484,000	-0-

<b>017.</b>	Design Library Facility		
	Restricted Funds	1,640,000	-0-
<b>018.</b>	Design Music Academic and Performance Arts Building		
	Restricted Funds	1,622,000	-0-
<b>019.</b>	Construct Classroom/Lab Building at Browning Orchard		
	Restricted Funds	1,597,000	-0-
<b>020.</b>	Water Plant Sediment Basin		
	Restricted Funds	1,500,000	-0-
<b>021.</b>	Upgrade and Expand Distance Learning		
	Restricted Funds	1,398,000	-0-
<b>022.</b>	Enhance Library Automation Resources		
	Restricted Funds	1,264,000	-0-
<b>023.</b>	Capital Renewal and Maintenance Pool – University Farm		
	Restricted Funds	1,209,000	-0-
<b>024.</b>	Purchase Equipment for Biochemistry Lab		
	Restricted Funds	450,000	-0-
<b>025.</b>	Guaranteed Energy Savings Performance Contracts		
<b>026.</b>	Renovate Combs Classroom Building		
	Restricted Funds	37,048,000	-0-
<b>027.</b>	Construct Athletic Administration and Sports Performance Building		
	Restricted Funds	24,582,000	-0-
<b>028.</b>	Renovate Button Auditorium		
	Restricted Funds	13,158,000	-0-
<b>6.</b>	<b>MURRAY STATE UNIVERSITY</b>		
<b>001.</b>	Construct/Complete New Science Complex – Final Phase		
	Restricted Funds	5,000,000	-0-
<b>002.</b>	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. Renovate White Hall**

Restricted Funds	11,906,000	-0-
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**004. Renovate Pogue Library**

Restricted Funds	9,040,000	-0-
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**005. Renovate Exposition Center**

Restricted Funds	8,922,000	-0-
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**006. Complete Capital Renewal – H&D Pool < \$600,000**

Restricted Funds	6,734,000	-0-
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**007. Extend Energy Management System**

Restricted Funds	6,677,000	-0-
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**008. Complete ADA Compliance – E&G Pool <\$600,000**

Restricted Funds	6,035,000	-0-
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**009. Replace Campus Steam Distribution System**

Restricted Funds	5,968,000	-0-
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**010. Upgrade Campus Phone and Data Network**

Restricted Funds	4,485,000	-0-
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**011. College of Science Instructional/Research Equipment**

Restricted Funds	3,500,000	-0-
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**012. Complete Life Safety Projects – E&G Pool <\$600,000**

Restricted Funds	2,219,000	-0-
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**013. Construct Livestock Instructional Laboratory**

Restricted Funds	2,145,000	-0-
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**014. Campus Desktop Virtualization**

Restricted Funds	1,898,000	-0-
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<b>015.</b>	Demolish Woods Hall		
	Restricted Funds	1,748,000	-0-
<b>016.</b>	Renovate White Hall HVAC System		
	Restricted Funds	1,576,000	-0-
<b>017.</b>	Replace Stewart Stadium Playing Surfaces		
	Restricted Funds	1,402,000	-0-
<b>018.</b>	Renovate Paducah Crisp Center		
	Restricted Funds	1,300,000	-0-
<b>019.</b>	Upgrade Applied Science Electrical System		
	Restricted Funds	1,285,000	-0-
<b>020.</b>	Student Desktop Virtualization		
	Restricted Funds	1,265,000	-0-
<b>021.</b>	Install Sprinkler System – Blackburn Science Building		
	Restricted Funds	1,264,000	-0-
<b>022.</b>	Renovate Pogue Library Electric and HVAC		
	Restricted Funds	1,229,000	-0-
<b>023.</b>	ITV Upgrades to Murray State University System		
	Restricted Funds	1,223,000	-0-
<b>024.</b>	Construct Open-Sided Stall Barn at Expo Center		
	Restricted Funds	1,203,000	-0-
<b>025.</b>	Construct Addition to Winslow Cafeteria		
	Restricted Funds	1,200,000	-0-
<b>026.</b>	Renovate White Hall Interior		
	Restricted Funds	1,184,000	-0-
<b>027.</b>	Renovate Regents Hall Electrical System		
	Restricted Funds	1,143,000	-0-
<b>028.</b>	Renovate Hart Hall Electrical System		

Restricted Funds	1,017,000	-0-
<b>029. Renovate White Hall Electrical System</b>		
Restricted Funds	1,015,000	-0-
<b>030. Acquire Land</b>		
Restricted Funds	1,000,000	-0-
<b>031. Replace E&amp;G Chiller/CFC Compliance</b>		
Restricted Funds	965,000	-0-
<b>032. Waterproof Stewart Stadium</b>		
Restricted Funds	882,000	-0-
<b>033. Replace Exposition Center Roof</b>		
Restricted Funds	867,000	-0-
<b>034. Campus Backbone 10 GigE Upgrade</b>		
Restricted Funds	853,000	-0-
<b>035. Replace White Hall Domestic Water Piping</b>		
Restricted Funds	845,000	-0-
<b>036. Agriculture Instructional Laboratory and Technology Equipment</b>		
Restricted Funds	800,000	-0-
<b>037. Complete ADA Compliance – H&amp;D Pool &lt;\$600,000</b>		
Restricted Funds	659,000	-0-
<b>038. Information Technology Infrastructure for TSM and IET</b>		
Restricted Funds	625,000	-0-
<b>039. Renovate Buildings – H&amp;D Pool &lt;\$600,000</b>		
Restricted Funds	595,000	-0-
<b>040. Abate Asbestos – E&amp;G Pool &lt;\$600,000</b>		
Restricted Funds	397,000	-0-
<b>041. Broadcasting Education Laboratory Equipment</b>		
Restricted Funds	225,000	-0-

<b>042.</b>	Abate Asbestos – H&D Pool <\$600,000		
	Restricted Funds	177,000	-0-
<b>043.</b>	Upgrade Campus Electrical Distribution System		
	Restricted Funds	13,038,000	-0-
<b>044.</b>	Renovate Blackburn Hall		
	Restricted Funds	34,952,000	-0-
<b>045.</b>	Construct New University Library		
	Restricted Funds	69,725,000	-0-
<b>046.</b>	Capital Renewal Projects Pool		
	Restricted Funds	18,406,000	-0-
<b>047.</b>	Renovate Lovett Auditorium (Historic Building)		
	Restricted Funds	25,069,000	-0-
<b>048.</b>	Replace Campus Communications Infrastructure Components		
	Restricted Funds	3,300,000	-0-
<b>049.</b>	Renovate and Expand Waterfield Library		
	Restricted Funds	19,000,000	-0-
<b>7.</b>	<b>NORTHERN KENTUCKY UNIVERSITY</b>		
<b>001.</b>	Develop Town/Gown Project		
	Other Funds	86,500,000	-0-
<b>002.</b>	Construct Alumni Center		
	Other Funds	10,500,000	-0-
<b>003.</b>	Construct Athletics Practice Facility		
	Other Funds	10,500,000	-0-
<b>004.</b>	Renew E&G Buildings Systems Projects Pool		
	Restricted Funds	7,000,000	-0-
<b>005.</b>	Repair Structural Heaving Landrum and Fine Arts		
	Restricted Funds	6,400,000	-0-

**006. Renovate Gateway/Highland Heights Campus**  
 Restricted Funds 6,000,000 -0-

**007. Renovate/Expand Baseball Field**  
 Other Funds 4,600,000 -0-

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

**008. Relocate High Voltage Utilities**  
 Restricted Funds 4,500,000 -0-

**009. Renovate Brown Building**  
 Restricted Funds 3,000,000 -0-  
 Other Funds 1,500,000 -0-  
 TOTAL 4,500,000 -0-

**010. Upgrade Communication and Network Infrastructure**  
 Restricted Funds 4,300,000 -0-

**011. Renovate Civic Center Building**  
 Restricted Funds 3,700,000 -0-

**012. Initiate Phase II of Master Plan**  
 Restricted Funds 3,500,000 -0-

**013. Renovate Early Childcare Center**  
 Restricted Funds 3,500,000 -0-

**014. Renovate Residence Halls – 2014-2016**  
 Restricted Funds 2,500,000 -0-  
 Other Funds 1,000,000 -0-  
 TOTAL 3,500,000 -0-

**015. Acquire Land/Master Plan – 2014-2016**  
 Restricted Funds 3,000,000 -0-

**016. Enhance Administrative Systems**

Restricted Funds	2,500,000	-0-
<b>017. Enhance Instructional Technology</b>		
Restricted Funds	2,500,000	-0-
<b>018. Replace Underground Gas Mains</b>		
Restricted Funds	2,500,000	-0-
<b>019. Construct Center for Applied Ecology Building</b>		
Restricted Funds	1,000,000	-0-
Other Funds	1,000,000	-0-
TOTAL	2,000,000	-0-
<b>020. Renew E&amp;G Elevators – 2014-2016</b>		
Restricted Funds	1,400,000	-0-
<b>021. Construct Indoor Track/Multipurpose Facility</b>		
Other Funds	12,000,000	-0-
<b>022. Replace Callahan Roof</b>		
Restricted Funds	1,200,000	-0-
<b>023. Customer Relationship Management System</b>		
Restricted Funds	750,000	-0-
<b>024. Purchase Coach Bus</b>		
Restricted Funds	690,000	-0-
<b>025. Purchase Large Format Color Press</b>		
Restricted Funds	375,000	-0-
<b>026. Campbell County – Gateway Building – Lease</b>		
<b>027. Kenton County - METS Lease</b>		
<b>028. Guaranteed Energy Savings Performance Contracts</b>		
<b>029. Construct Satellite Parking Lot</b>		
Restricted Funds	4,200,000	-0-
<b>8. UNIVERSITY OF KENTUCKY</b>		

**001. Construct Student Housing**

Other Funds	202,000,000	-0-
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(1) **Authorization:** The above authorization is approved pursuant to KRS 45.763.

**002. Renovate/Expand University Student Center**

Restricted Funds	10,000,000	-0-
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Other Funds	5,000,000	-0-
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TOTAL	15,000,000	-0-
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**003. Acquire Land**

Restricted Funds	50,000,000	-0-
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**004. Upgrade Dining Facilities**

Other Funds	50,000,000	-0-
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(1) **Authorization:** The above authorization is approved pursuant to KRS 45.763.

**005. Renovate/Upgrade Academic Learning Center**

Restricted Funds	45,000,000	-0-
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**006. Capital Renewal Maintenance Pool**

Restricted Funds	119,000,000	-0-
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**007. Repair, Upgrade, or Improve Electrical Infrastructure**

Restricted Funds	28,000,000	-0-
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**008. Repair, Upgrade, or Improve Mechanical Infrastructure**

Restricted Funds	26,000,000	-0-
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**009. Acquire/Renovate Academic Facilities**

Restricted Funds	25,000,000	-0-
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**010. Fit-up Academic Science Building**

Restricted Funds	30,000,000	-0-
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**011. Renovate Campus Core Quadrangle Facilities**

	Restricted Funds	30,000,000	-0-
<b>012.</b>	Renovate/Upgrade Academic Space		
	Restricted Funds	25,000,000	-0-
<b>013.</b>	Repair Emergency Infrastructure/Building Systems		
	Restricted Funds	25,000,000	-0-
<b>014.</b>	Repair, Upgrade, or Improve Building Mechanical Systems		
	Restricted Funds	25,000,000	-0-
<b>015.</b>	Repair, Upgrade, or Improve Civil Site Infrastructure		
	Restricted Funds	25,000,000	-0-
<b>016.</b>	Upgrade/Fit-up Hospital Facilities		
	Restricted Funds	35,000,000	-0-
<b>017.</b>	Upgrade, Improve, and Expand Recreational Fields		
	Restricted Funds	25,000,000	-0-
<b>018.</b>	Upgrade, Renovate, Improve, or Expand Research Labs		
	Restricted Funds	33,500,000	-0-
<b>019.</b>	Construct Good Samaritan Medical Office Building – UK HealthCare		
	Restricted Funds	23,700,000	-0-
<b>020.</b>	Expand/Renovate Kastle Hall		
	Restricted Funds	22,327,000	-0-
<b>021.</b>	Purchase/Upgrade Pollution Controls		
	Restricted Funds	22,000,000	-0-
<b>022.</b>	Construct, Expand, and Renovate Ambulatory Care Facility – UK HealthCare		
	Restricted Funds	20,000,000	-0-
<b>023.</b>	Expand/Upgrade Coldstream Research Campus		
	Restricted Funds	20,000,000	-0-
<b>024.</b>	Implement Land Use Plan – UK HealthCare		



	Restricted Funds	20,000,000	-0-
<b>025.</b>	Repair, Upgrade, or Improve Building Systems – UK HealthCare		
	Restricted Funds	20,000,000	-0-
<b>026.</b>	Upgrade Enterprise Information Systems		
	Restricted Funds	20,000,000	-0-
<b>027.</b>	Upgrade Enterprise Information Systems – UK HealthCare		
	Restricted Funds	20,000,000	-0-
<b>028.</b>	Upgrade/Expand Cancer Treatment Facility – UK HealthCare		
	Restricted Funds	20,000,000	-0-
<b>029.</b>	Upgrade Student Center Infrastructure		
	Restricted Funds	18,968,000	-0-
<b>030.</b>	Renovate/Upgrade Pence Hall		
	Restricted Funds	18,870,000	-0-
<b>031.</b>	Renovate/Expand Johnson Center		
	Restricted Funds	16,550,000	-0-
<b>032.</b>	Renovate/Upgrade Academic Facility		
	Restricted Funds	16,000,000	-0-
<b>033.</b>	Construct Library Depository Facility		
	Restricted Funds	15,000,000	-0-
<b>034.</b>	Improve Life Safety Project Pool		
	Restricted Funds	15,000,000	-0-
<b>035.</b>	Renovate Singletary		
	Restricted Funds	15,000,000	-0-
<b>036.</b>	Renovate/Expand Clinical Services – UK HealthCare		
	Restricted Funds	15,000,000	-0-
<b>037.</b>	Renovate Alumni Gym and/or North Recreation Center		
	Restricted Funds	14,500,000	-0-

**038. Acquire Office-Campus Office Building**

Other Funds	10,000,000	-0-
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**(1) Authorization:** The above authorization is approved pursuant to KRS 45.763.

**039. Fit-up Academic/Administrative Space**

Restricted Funds	10,000,000	-0-
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**040. Implement Medication Bar Coding System – UK HealthCare**

Restricted Funds	10,000,000	-0-
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**041. Implement Patient Communication System – UK HealthCare**

Restricted Funds	10,000,000	-0-
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**042. Acquire and Implement Enterprise Security System – UK HealthCare**

Restricted Funds	10,000,000	-0-
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**043. Acquire Telemedicine/Virtual ICU**

Restricted Funds	10,000,000	-0-
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**044. Acquire/Upgrade UK HealthCare IT Systems**

Restricted Funds	10,000,000	-0-
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**045. Purchase Clinical Information System**

Restricted Funds	10,000,000	-0-
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**046. Purchase Digital Medical Record Expansion**

Restricted Funds	10,000,000	-0-
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**047. Purchase Document Scanning System**

Restricted Funds	10,000,000	-0-
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**048. Purchase Document Scanning System – UK HealthCare**

Restricted Funds	10,000,000	-0-
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**049. Renovate Academic/Administrative Space 1**

Restricted Funds	10,000,000	-0-
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**050. Renovate Academic/Administrative Space 2**

Restricted Funds	10,000,000	-0-
<b>051. Renovate Taylor Education Building</b>		
Restricted Funds	10,000,000	-0-
<b>052. Renovate/Upgrade Hospital Facilities – Good Samaritan</b>		
Restricted Funds	10,000,000	-0-
<b>053. Expand/Renovate West Kentucky and Robinson Station</b>		
Restricted Funds	9,835,000	-0-
<b>054. Construct Equine Campus – Phase 2</b>		
Restricted Funds	9,500,000	-0-
<b>055. Upgrade Vivarium Facilities</b>		
Restricted Funds	9,000,000	-0-
<b>056. Relocate/Replace Greenhouses</b>		
Restricted Funds	8,425,000	-0-
<b>057. Expand Boone Tennis Center</b>		
Restricted Funds	8,000,000	-0-
<b>058. Upgrade/Renovate Clean Room Space – Coldstream</b>		
Restricted Funds	8,000,000	-0-
<b>059. Acquire High Performance Research Computer</b>		
Restricted Funds	6,500,000	-0-
<b>060. Upgrade Clinic Enterprise Network – UK HealthCare</b>		
Restricted Funds	6,500,000	-0-
<b>061. Construct Housing 1</b>		
Restricted Funds	6,000,000	-0-
<b>062. Construct Housing 2</b>		
Restricted Funds	6,000,000	-0-
<b>063. Construct Housing 3</b>		
Restricted Funds	6,000,000	-0-

<b>064.</b> Construct University Storage Building		
Restricted Funds	6,000,000	-0-
<b>065.</b> Renovate Nursing Units – UK HealthCare		
Restricted Funds	6,000,000	-0-
<b>066.</b> Renovate/Upgrade Memorial Coliseum		
Restricted Funds	6,000,000	-0-
<b>067.</b> Acquire Large Scale Computing		
Restricted Funds	5,500,000	-0-
<b>068.</b> Expand KGS Well Sample and Core Repository		
Restricted Funds	5,280,000	-0-
<b>069.</b> Construct Transit Center		
Restricted Funds	5,000,000	-0-
<b>070.</b> Handicapped Access Pool		
Restricted Funds	5,000,000	-0-
<b>071.</b> Implement Real Time Locator System – UK HealthCare		
Restricted Funds	5,000,000	-0-
<b>072.</b> Acquire Personal Electronic Health Records		
Restricted Funds	5,000,000	-0-
<b>073.</b> Purchase Oncology Information System – UK HealthCare		
Restricted Funds	5,000,000	-0-
<b>074.</b> Purchase/Expand PACS System		
Restricted Funds	5,000,000	-0-
<b>075.</b> Acquire Data Repository System		
Restricted Funds	5,000,000	-0-
<b>076.</b> Renovate Academic/Administrative Space 3		
Restricted Funds	5,000,000	-0-
<b>077.</b> Renovate Academic/Administrative Space 4		

Restricted Funds	5,000,000	-0-
<b>078.</b> Renovate Central Computing Facility		
Restricted Funds	5,000,000	-0-
<b>079.</b> Renovate Chemistry/Physics Building		
Restricted Funds	5,000,000	-0-
<b>080.</b> Renovate Erickson Hall		
Restricted Funds	5,000,000	-0-
<b>081.</b> Renovate Fine Arts		
Restricted Funds	5,000,000	-0-
<b>082.</b> Renovate King Library		
Restricted Funds	5,000,000	-0-
<b>083.</b> Renovate Memorial Hall		
Restricted Funds	5,000,000	-0-
<b>084.</b> Repair, Upgrade, and Improve Building Electrical Systems		
Restricted Funds	5,000,000	-0-
<b>085.</b> Repair, Upgrade, and Improve Elevator Systems		
Restricted Funds	5,000,000	-0-
<b>086.</b> Repair, Upgrade, and Improve Building Shell Systems		
Restricted Funds	5,000,000	-0-
<b>087.</b> Upgrade/Renovate Surgical Services – UK HealthCare		
Restricted Funds	5,000,000	-0-
<b>088.</b> Renovate Mineral Industries Building		
Restricted Funds	4,900,000	-0-
<b>089.</b> Construct/Fit-up Retail Space		
Other Funds	4,000,000	-0-

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

<b>090.</b> Purchase Cardiology Information System – UK HealthCare		
Restricted Funds	4,000,000	-0-
<b>091.</b> Construct WUKY Facility		
Restricted Funds	3,910,000	-0-
<b>092.</b> Renovate Robotics Building		
Restricted Funds	3,842,000	-0-
<b>093.</b> Construct, Upgrade, and Fit-up Support Services – UK HealthCare		
Restricted Funds	3,500,000	-0-
<b>094.</b> Implement Unified Communication System – UK HealthCare		
Restricted Funds	3,000,000	-0-
<b>095.</b> Acquire Mainframe Computer – UK HealthCare		
Restricted Funds	3,000,000	-0-
<b>096.</b> Replace/Upgrade Perioperative Information System		
Restricted Funds	3,000,000	-0-
<b>097.</b> Acquire Wireless/Cellular Infrastructure		
Restricted Funds	3,000,000	-0-
<b>098.</b> Purchase Telephone System Replacement		
Restricted Funds	3,000,000	-0-
<b>099.</b> Purchase Telephone System Replacement – UK HealthCare		
Restricted Funds	3,000,000	-0-
<b>100.</b> Install Artificial Turf on Pieratt Recreational Fields		
Restricted Funds	2,795,000	-0-
<b>101.</b> Purchase Upgraded Communications Infrastructure 1		
Restricted Funds	2,500,000	-0-
<b>102.</b> Purchase Upgraded Communications Infrastructure 2		
Restricted Funds	2,500,000	-0-
<b>103.</b> Repair Stadium Structure		

	Restricted Funds	2,500,000	-0-
<b>104.</b>	Construct Center Emergency Response Center		
	Restricted Funds	2,370,000	-0-
<b>105.</b>	Acquire Enterprise Storage System		
	Restricted Funds	2,200,000	-0-
<b>106.</b>	Expand/Renovate Sturgill Development Building		
	Restricted Funds	2,130,000	-0-
<b>107.</b>	Emerging Technologies Academic Support		
	Restricted Funds	2,000,000	-0-
<b>108.</b>	Purchase Transport Buses		
	Restricted Funds	2,000,000	-0-
<b>109.</b>	Remote Site Fiber Infrastructure		
	Restricted Funds	2,000,000	-0-
<b>110.</b>	Renovate Academic/Administrative Space 5		
	Restricted Funds	2,000,000	-0-
<b>111.</b>	Renovate Schmidt Vocal Arts Center		
	Restricted Funds	2,000,000	-0-
<b>112.</b>	Replace/Upgrade Radiology Information System		
	Restricted Funds	2,000,000	-0-
<b>113.</b>	Acquire Data Warehouse/Infrastructure		
	Restricted Funds	1,800,000	-0-
<b>114.</b>	Expand Training Table Dining Addition – Wildcat Coal Lodge		
	Other Funds	1,500,000	-0-
<b>115.</b>	Acquire Communications Equipment		
	Restricted Funds	1,500,000	-0-
<b>116.</b>	Acquire Network Security Hardware		
	Restricted Funds	1,500,000	-0-

<b>117.</b>	Renovate Dickey Hall Library		
	Restricted Funds	1,500,000	-0-
<b>118.</b>	Renovate Old Softball/Soccer Locker Room		
	Other Funds	1,500,000	-0-
<b>119.</b>	Renovate/Upgrade Video Board – Memorial Coliseum		
	Other Funds	1,500,000	-0-
<b>120.</b>	Acquire Exchange Replacement		
	Restricted Funds	1,000,000	-0-
<b>121.</b>	Purchase Allergy Information System – UK HealthCare		
	Restricted Funds	1,000,000	-0-
<b>122.</b>	Renovate Space for Testing Center		
	Restricted Funds	1,000,000	-0-
<b>123.</b>	Renovate/Replace Playing Field – Commonwealth Stadium		
	Other Funds	1,000,000	-0-
<b>124.</b>	Acquire Document Imaging (ASG)		
	Restricted Funds	775,000	-0-
<b>125.</b>	Fit-up Team Novelty Store – Commonwealth Stadium		
	Other Funds	750,000	-0-
<b>126.</b>	Acquire Campus Call Center System		
	Restricted Funds	750,000	-0-
<b>127.</b>	Fayette County – Lease – Administrative Office		
<b>128.</b>	Fayette County – Lease – Blazer Parkway		
<b>129.</b>	Fayette County – Lease – Good Samaritan Hospital		
<b>130.</b>	Fayette County – Lease – Grants Project 2		
<b>131.</b>	Fayette County – Lease – Health Affairs Office 2		
<b>132.</b>	Fayette County – Lease – Kentucky Utilities Building		
<b>133.</b>	Fayette County – Lease – Off Campus Housing 1		



134. Fayette County – Lease – Off Campus Housing 2
135. Fayette County – Lease – Health Affairs Office 3
136. Fayette County – Lease – Health Affairs Office 5
137. Lease – Grant Projects 1
138. Lease – Health Affairs Office
139. Lease – Health Affairs Office 4
140. Lease – Health Affairs Office 6
141. Lease – Health Affairs Office 7
142. Lease – Health Affairs Office 8
143. Lease – Health Affairs Office 9
144. Lease – Med Center Grant Projects 1
145. Lease – Med Center Grant Projects 2
146. Lease – Med Center Off Campus Facility 1
147. Lease – Med Center Off Campus Facility 2
148. Lease – Med Center Off Campus Facility 3
149. Lease – Med Center Off Campus Facility 4
150. Lease – Off Campus 1
151. Lease – Off Campus 2
152. Lease – Off Campus 3
153. Lease – Off Campus 4
154. Lease – Off Campus 5
155. Lease – Off Campus 6
156. Lease – Off Campus 7
157. Lease – Off Campus – Athletics
158. Lease – Rural Health Expansion – Perry County
159. Lease – Off-Campus Housing 3
160. Lease – Off-Campus Housing 4

<b>161.</b> Lease – Off-Campus Housing 5		
<b>162.</b> Lease – Off-Campus Housing 6		
<b>163.</b> Guaranteed Energy Savings Performance Contracts		
<b>164.</b> Construct Research Building		
Restricted Funds	23,000,000	-0-
<b>165.</b> Renovate/Upgrade HealthCare Facilities 2		
Restricted Funds	130,000,000	-0-
<b>166.</b> Research Equipment Pool		
Restricted Funds	30,000,000	-0-
<b>167.</b> Construct Alumni Center		
Other Funds	30,000,000	-0-
<b>168.</b> Construct Office Tower - UKHC		
Restricted Funds	95,600,000	-0-
<b>169.</b> Construct Satellite Student Center		
Other Funds	75,400,000	-0-
<b>(1) Authorization:</b> The above authorization is approved pursuant to KRS		
45.763.		
<b>170.</b> Repair/Upgrade/Expand Central Plants		
Restricted Funds	62,000,000	-0-
<b>171.</b> Construct Parking/Academic Facility		
Other Funds	50,000,000	-0-
<b>172.</b> Construct/Renovate/Upgrade Dining Facility 1		
Restricted Funds	40,000,000	-0-
<b>173.</b> Construct Baseball Facility		
Other Funds	40,000,000	-0-
<b>174.</b> Implement Revenue Management System		
Restricted Funds	35,000,000	-0-

<b>175.</b>	Renovate Funkhouser Building		
	Restricted Funds	28,300,000	-0-
<b>176.</b>	Upgrade/Renovate Space in Multi-Disciplinary Science Building		
	Restricted Funds	27,200,000	-0-
<b>177.</b>	Renovate/Upgrade McVey Hall		
	Restricted Funds	23,100,000	-0-
<b>178.</b>	Renovate Dentistry Facilities		
	Restricted Funds	16,800,000	-0-
<b>179.</b>	Emerging Technologies Academic Support Systems		
	Restricted Funds	2,000,000	-0-
<b>180.</b>	Guaranteed Energy Savings Performance Contracts - Parking		
<b>181.</b>	Guaranteed Energy Savings Performance Contracts - Athletics		
<b>9.</b>	<b>UNIVERSITY OF LOUISVILLE</b>		
<b>001.</b>	Construct Medical Office Building		
	Other Funds	60,300,000	-0-
<b>002.</b>	Capital Renewal Pool – 2014-2016		
	Restricted Funds	20,000,000	20,000,000
<b>003.</b>	Renovate Schneider Hall		
	Restricted Funds	21,836,000	-0-
<b>004.</b>	Purchase IT Data Center Support Systems		
	Restricted Funds	20,000,000	-0-
<b>005.</b>	Construct Kosair Medical Office Building Fitout		
	Restricted Funds	19,745,000	-0-
<b>006.</b>	Renovate Burhans Hall		
	Other Funds	17,000,000	-0-
<b>007.</b>	Expand Sackett Hall		
	Restricted Funds	14,758,000	-0-

<b>008.</b>	Renovate Ekstrom Library – Additional Reauthorization (\$44,705,000 Restricted Funds)		
	Restricted Funds	13,371,000	-0-
<b>009.</b>	Code Compliance Pool – 2014-2016		
	Restricted Funds	12,822,000	-0-
<b>010.</b>	Construct Executive MBA/Business Program		
	Restricted Funds	12,000,000	-0-
<b>011.</b>	Purchase Storage System		
	Restricted Funds	12,000,000	-0-
<b>012.</b>	Expand and Renovate Student Activities Center – Additional Reauthorization (\$9,600,000 Agency Bonds)		
<b>013.</b>	Renovate HPES/Studio Arts Building		
	Restricted Funds	9,850,000	-0-
<b>014.</b>	Renovate Chemistry Fume Hoods – Phase II		
	Restricted Funds	9,730,000	-0-
<b>015.</b>	Renovate Dougherty Hall		
	Restricted Funds	9,233,000	-0-
<b>016.</b>	Purchase Computer Processing System		
	Restricted Funds	8,000,000	-0-
<b>017.</b>	Purchase Networking System		
	Restricted Funds	8,000,000	-0-
<b>018.</b>	Purchase Security and Firewall Infrastructure		
	Restricted Funds	8,000,000	-0-
<b>019.</b>	Expand Schnellenberger Football Complex		
	Other Funds	7,500,000	-0-
<b>020.</b>	Construct Athletics Office Building		
	Restricted Funds	7,400,000	-0-

<b>021.</b> Purchase Fiber Infrastructure		
Restricted Funds	7,000,000	-0-
<b>022.</b> Purchase Research Computing Infrastructure		
Restricted Funds	7,000,000	-0-
<b>023.</b> Renovate Kosair Pediatrics Center Offices		
Restricted Funds	6,850,000	-0-
<b>024.</b> Renovate Natural Science Building – Additional Reauthorization		
(\$23,508,000 Restricted Funds)		
Restricted Funds	6,335,000	-0-
<b>025.</b> Purchase Digital Communications System		
Restricted Funds	6,000,000	-0-
<b>026.</b> Purchase Enterprise Application System		
Restricted Funds	6,000,000	-0-
<b>027.</b> Renovate Kornhauser Library – Additional Reauthorization		
(\$16,030,000 Restricted Funds)		
Restricted Funds	5,950,000	-0-
<b>028.</b> Renovate W. S. Speed Building – Additional Reauthorization		
(\$11,927,000 Restricted Funds)		
Restricted Funds	5,269,000	-0-
<b>029.</b> Papa John’s Stadium Seat Replacement		
Other Funds	5,250,000	-0-
<b>030.</b> Purchase Land Near Floyd Street Parcel II		
Restricted Funds	5,200,000	-0-
<b>031.</b> Renovate K-Wing 1st Floor Office		
Restricted Funds	5,000,000	-0-
<b>032.</b> Renovate Health Science Center Instructional Building		
Restricted Funds	4,433,000	-0-

<b>033.</b>	Renovate Brown Cancer Center 4th Floor		
	Restricted Funds	4,388,000	-0-
<b>034.</b>	Purchase Content Management System		
	Restricted Funds	4,000,000	-0-
<b>035.</b>	Construct Clinical/Office Space in West Louisville		
	Restricted Funds	3,949,000	-0-
<b>036.</b>	Renovate Belknap Playhouse		
	Restricted Funds	3,510,000	-0-
<b>037.</b>	Purchase Land Near Health Sciences Campus – Parcel IV		
	Restricted Funds	3,240,000	-0-
<b>038.</b>	Renovate Delia Baxter Building Clean Room		
	Restricted Funds	3,100,000	-0-
<b>039.</b>	Renovate Donald Baxter Building 2nd and 3rd Floor Laboratories		
	Restricted Funds	3,010,000	-0-
<b>040.</b>	Purchase PET Scanner		
	Restricted Funds	-0-	3,000,000
<b>041.</b>	Purchase Electronic Research Information System		
	Restricted Funds	1,350,000	1,350,000
<b>042.</b>	Renovate Ambulatory Care Building		
	Restricted Funds	2,540,000	-0-
<b>043.</b>	Upgrade/Replace Digital Output System		
	Restricted Funds	2,500,000	-0-
<b>044.</b>	Purchase Robotic Retrieval Systems		
	Restricted Funds	2,426,000	-0-
<b>045.</b>	Purchase Visualization System – Planetarium		
	Federal Funds	2,000,000	-0-
<b>046.</b>	Renovate Chemistry Teaching Laboratories and Auditorium		

Restricted Funds	1,957,000	-0-
<b>047.</b> Construct College of Business Courtyard and Café		
Restricted Funds	1,819,000	-0-
<b>048.</b> Housing Capital Renewal Pool – 2014-2016		
Restricted Funds	1,795,000	-0-
<b>049.</b> Construct Health Sciences Campus Steam and Chilled Water Plant II – Additional Reauthorization (\$34,595,000 Restricted Funds)		
Restricted Funds	1,705,000	-0-
<b>050.</b> Renovate Concentrated Care Building		
Restricted Funds	1,628,000	-0-
<b>051.</b> Renovate Abell Administration Building		
Restricted Funds	1,593,000	-0-
<b>052.</b> Construct Athletic Grounds Building		
Other Funds	1,500,000	-0-
<b>053.</b> Renovate Threlkeld Hall Infrastructure		
Restricted Funds	1,500,000	-0-
<b>054.</b> Purchase Land Near Health Sciences Campus – Parcel I – Additional Reauthorization (\$34,246,000)		
Other Funds	1,369,000	-0-
<b>055.</b> Renovate K-Wing Classroom		
Other Funds	1,223,000	-0-
<b>056.</b> Purchase Individually Ventilated Caging System		
Restricted Funds	600,000	597,000
<b>057.</b> Purchase Fourier-Transform Mass Spectrometer		
Restricted Funds	1,100,000	-0-
<b>058.</b> Purchase MS-MS Tandem Mass Spectrometer		
Restricted Funds	1,100,000	-0-

<b>059.</b>	Purchase Soccer Stadium Video Boards		
	Restricted Funds	1,050,000	-0-
<b>060.</b>	Renovate College of Business Green Roof		
	Restricted Funds	1,030,000	-0-
<b>061.</b>	Renovate Donald Baxter Building Clean Room Expansion		
	Restricted Funds	987,000	-0-
<b>062.</b>	Construct Belknap Center Place Plaza – Additional Reauthorization (\$7,883,000 Restricted Funds)		
	Restricted Funds	957,000	-0-
<b>063.</b>	Renovate Lions Eye Research Institute – Additional Reauthorization (\$19,770,000 Restricted Funds)		
	Restricted Funds	937,000	-0-
<b>064.</b>	Purchase Console for Nuclear Magnetic Resonance System		
	Restricted Funds	-0-	900,000
<b>065.</b>	Purchase Large Frame Plastic Sintering Machine		
	Federal Funds	-0-	900,000
<b>066.</b>	Construct Flexner Way Mall – Preston to Jackson		
	Restricted Funds	445,000	-0-
	Other Funds	445,000	-0-
	TOTAL	890,000	-0-
<b>067.</b>	Renovate Middleton Auditorium		
	Restricted Funds	850,000	-0-
<b>068.</b>	Purchase Additive Microdeposition Machine		
	Federal Funds	-0-	825,000
<b>069.</b>	Construct Athletic Academic Support Facility – Additional Reauthorization (\$16,228,000 Other Funds)		
	Other Funds	812,000	-0-



<b>070.</b>	Construct Flexner Way Mall – Jackson to Hancock		
	Restricted Funds	390,000	-0-
	Other Funds	390,000	-0-
	TOTAL	780,000	-0-
<b>071.</b>	Construct Athletic Equipment and Apparel Storage Facility		
	Other Funds	750,000	-0-
<b>072.</b>	Purchase Cell Processing Unit 1		
	Restricted Funds	750,000	-0-
<b>073.</b>	Purchase Cell Processing Unit 2		
	Restricted Funds	750,000	-0-
<b>074.</b>	Purchase Land Near Belknap Campus – East		
	Restricted Funds	750,000	-0-
<b>075.</b>	Purchase Large Frame Plastic Deposition Machine		
	Federal Funds	750,000	-0-
<b>076.</b>	Purchase Super Resolution Confocal Microscope		
	Federal Funds	750,000	-0-
<b>077.</b>	Renovate Football Practice Field Lighting		
	Other Funds	750,000	-0-
<b>078.</b>	Renovate Miller Hall Infrastructure		
	Restricted Funds	750,000	-0-
<b>079.</b>	Construct Center for Creative Studies – Additional Reauthorization		
	(\$9,450,000 Restricted Funds)		
	Restricted Funds	743,000	-0-
<b>080.</b>	Purchase Two Photon Microscopes		
	Restricted Funds	719,000	-0-
<b>081.</b>	Purchase PCs, Printers, Scanners for Libraries		
	Restricted Funds	175,000	175,000

Other Funds	175,000	175,000
TOTAL	350,000	350,000
<b>082.</b> Renovate J. B. Speed Building – Additional Reauthorization (\$12,200,000 Restricted Funds)		
Restricted Funds	662,000	-0-
<b>083.</b> Purchase Direct Metal Additive Fabrication Machine		
Federal Funds	650,000	-0-
<b>084.</b> Renovate Research Resource Center – Additional Reauthorization (\$14,708,000 Restricted Funds)		
Restricted Funds	617,000	-0-
<b>085.</b> Construct Center for Social Change – Additional Reauthorization (\$13,000,000 Other Funds)		
Other Funds	610,000	-0-
<b>086.</b> Purchase Biological Material Deposition Machine		
Federal Funds	600,000	-0-
<b>087.</b> Purchase Cell Isolation System		
Restricted Funds	-0-	600,000
<b>088.</b> Purchase CyToF Instrument		
Federal Funds	600,000	-0-
<b>089.</b> Renovate Oppenheimer Hall – Additional Reauthorization (\$4,792,000 Restricted Funds)		
Restricted Funds	597,000	-0-
<b>090.</b> Expand Chilled Water and Electrical Service Upgrade – Additional Reauthorization (\$12,750,000 Restricted Funds)		
Restricted Funds	550,000	-0-
<b>091.</b> Construct Intramural Field Complex – Additional Reauthorization (\$7,234,000 Restricted Funds)		

Restricted Funds	546,000	-0-
<b>092.</b> Purchase FACS Aria II Special Order System		
Federal Funds	530,000	-0-
<b>093.</b> Purchase Next Generation DNA Sequencer		
Restricted Funds	525,000	-0-
<b>094.</b> Purchase MALDI-TOF Mass Spectrometer		
Federal Funds	500,000	-0-
<b>095.</b> Purchase Quadruple Orbitrap Mass Spectrometer		
Federal Funds	500,000	-0-
<b>096.</b> Purchase Teleconferencing/Computer Equipment		
Restricted Funds	500,000	-0-
<b>097.</b> Purchase Two-Photon Laser Scanning Microscope		
Federal Funds	-0-	500,000
<b>098.</b> Purchase UHR-TOF Mass Spectrometer		
Federal Funds	500,000	-0-
<b>099.</b> Purchase Ultrasound Trainer		
Restricted Funds	490,000	-0-
<b>100.</b> Purchase Two-Photon Imaging System		
Federal Funds	-0-	480,000
<b>101.</b> Purchase MOCVD System		
Federal Funds	450,000	-0-
<b>102.</b> Belknap Floyd Street Corridor Improvements – Additional Reauthorization (\$3,500,000 Restricted Funds)		
Restricted Funds	430,000	-0-
<b>103.</b> Purchase Bulk Sterilizer		
Restricted Funds	421,000	-0-
<b>104.</b> Purchase Ultraview ERS 6FO Confocal Microscope		

Restricted Funds	-0-	420,000
<b>105. Utility Distribution System – South Belknap – Additional Reauthorization (\$12,000,000 Restricted Funds)</b>		
Restricted Funds	416,000	-0-
<b>106. Construct Utilities Remove Overhead Lines – Additional Reauthorization (\$10,350,000 Restricted Funds)</b>		
Restricted Funds	400,000	-0-
<b>107. Purchase High Resolution Triple TOF Mass Spectrometer</b>		
Federal Funds	400,000	-0-
<b>108. Purchase Scanning Electron Microscope</b>		
Restricted Funds	-0-	400,000
<b>109. Purchase Cage and Rack Washer 1</b>		
Restricted Funds	-0-	398,000
<b>110. Purchase Rodent Plastic Caging</b>		
Restricted Funds	398,000	-0-
<b>111. Purchase Multispectral Imaging Flow Cytometer</b>		
Restricted Funds	-0-	390,000
<b>112. Purchase High Resolution Echocardiography System</b>		
Federal Funds	-0-	350,000
<b>113. Construct Belknap Brandeis Corridor Improvements – Additional Reauthorization (\$2,774,000 Restricted Funds)</b>		
Restricted Funds	326,000	-0-
<b>114. Purchase Mobile Animal Runs</b>		
Restricted Funds	-0-	323,000
<b>115. Purchase Land Near Belknap Campus – North – Additional Reauthorization (\$8,000,000 Restricted Funds)</b>		
Restricted Funds	320,000	-0-

<b>116.</b>	Purchase Digital Materials 3-D Printing System		
	Federal Funds	-0-	300,000
<b>117.</b>	Renovate, Resurface Track and Cardio Path – Additional Reauthorization (\$700,000 Restricted Funds)		
	Restricted Funds	300,000	-0-
<b>118.</b>	Purchase Automatic Bedding Dispensing and Removal System		
	Restricted Funds	-0-	278,000
<b>119.</b>	Purchase Library Tables, Chairs and Wired Study Carrels		
	Restricted Funds	275,000	-0-
<b>120.</b>	Purchase Laser Confocal Scanning Microscope		
	Federal Funds	250,000	-0-
<b>121.</b>	Purchase Metal Evaporation System		
	Federal Funds	250,000	-0-
<b>122.</b>	Purchase Land Near Health Sciences Campus – Parcel II – Additional Reauthorization (\$6,034,000 Restricted Funds)		
	Restricted Funds	241,000	-0-
<b>123.</b>	Purchase Land Near Belknap Campus – South – Additional Reauthorization (\$6,000,000 Restricted Funds)		
	Restricted Funds	240,000	-0-
<b>124.</b>	Belknap 3rd Street Improvements – Additional Reauthorization (\$1,950,000 Restricted Funds)		
	Restricted Funds	230,000	-0-
<b>125.</b>	Purchase Cage and Rack Washer 2		
	Restricted Funds	-0-	220,000
<b>126.</b>	Purchase Tunnel Cage Washer		
	Restricted Funds	-0-	208,000
<b>127.</b>	Purchase Adaptive Optic Retinal Imaging System		

Federal Funds	200,000	-0-
<b>128.</b> Purchase Diagnostic/Imaging System		
Federal Funds	200,000	-0-
<b>129.</b> Purchase Land Near Floyd Street – Parcel I – Additional Reauthorization (\$5,000,000 Restricted Funds)		
Restricted Funds	200,000	-0-
<b>130.</b> Expand Rauch Planetarium – Additional Reauthorization (\$3,220,000 Federal Funds)		
Federal Funds	132,000	-0-
<b>131.</b> Construct Physical Plant Space in Health Sciences Campus Garage – Additional Reauthorization (\$2,318,000 Restricted Funds)		
Restricted Funds	122,000	-0-
<b>132.</b> Purchase Land Near Health Sciences Campus – Parcel III – Additional Reauthorization (\$3,000,000 Restricted Funds)		
Restricted Funds	120,000	-0-
<b>133.</b> Belknap Century Corridor Improvements – Additional Reauthorization (\$890,000 Restricted Funds)		
Restricted Funds	100,000	-0-
<b>134.</b> Purchase Artificial Turf – Additional Reauthorization (\$865,000 Other Funds)		
Other Funds	85,000	-0-
<b>135.</b> Renovate College of Business Classrooms – Additional Reauthorization (\$1,800,000 Restricted Funds)		
Restricted Funds	65,000	-0-
<b>136.</b> Construct Flexner Way Mall – Floyd to Preston – Additional Reauthorization (\$1,660,000 Restricted Funds)		
Restricted Funds	60,000	-0-

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|-------------|---|--------|-----|
| <b>137.</b> | Renovate Life Sciences Building Vivarium – Additional<br>Reauthorization (\$1,096,000 Restricted Funds)     |        |     |
|             | Restricted Funds  | 44,000 | -0- |
| <b>138.</b> | Construct Artificial Turf Field for Intramural – Additional<br>Reauthorization (\$693,000 Restricted Funds) |        |     |
|             | Restricted Funds  | 40,000 | -0- |
| <b>139.</b> | Renovate Gross Anatomy Laboratory – Additional Reauthorization<br>(\$5,520,000 Restricted Funds)            |        |     |
|             | Restricted Funds  | 38,000 | -0- |
| <b>140.</b> | Construct Belknap Stormwater Improvements Reauthorization<br>(\$5,000,000 Restricted Funds)                 |        |     |
| <b>141.</b> | Construct Center for the Performing Arts Improvements<br>Reauthorization (\$76,660,000 Restricted Funds)    |        |     |
| <b>142.</b> | Construct or Renovate Data Center Improvements Reauthorization<br>(\$38,000,000 Restricted Funds)           |        |     |
| <b>143.</b> | Renovate Law School Improvements Reauthorization (\$36,081,000<br>Restricted Funds)                         |        |     |
| <b>144.</b> | Academic Space – Lease  |        |     |
| <b>145.</b> | Belknap Office Space 1 – Lease  |        |     |
| <b>146.</b> | Belknap Office Space 2 – Lease  |        |     |
| <b>147.</b> | Belknap Office Space 3 – Lease  |        |     |
| <b>148.</b> | Clinic Space – Lease  |        |     |
| <b>149.</b> | Contract Administration Office Space – Lease  |        |     |
| <b>150.</b> | Dental Clinic Space – Lease   |        |     |
| <b>151.</b> | Department of Family and Geriatric Medicine Office, Clinical Space –<br>Lease                               |        |     |
| <b>152.</b> | East End Clinical Space – Lease   |        |     |

153.	HSC Additional Office, Clinic Space – Lease		
154.	HSC Off Campus Office Space 1 – Lease		
155.	HSC Off Campus Office Space 2 – Lease		
156.	IT Data Center – Lease		
157.	Master of Fine Arts – Lease		
158.	Med Center One – Lease		
159.	Nucleus 1 Building – Lease		
160.	Jefferson County – Office Space – Lease		
161.	U of L Foundation Office Space – Lease		
162.	West Louisville Center for Community Health, Education, Outreach – Lease		
163.	Construct Administrative Office Building		
	Restricted Funds	51,245,000	-0-
164.	Expand/Renovate College of Education Building		
	Restricted Funds	60,107,000	-0-
165.	Purchase Olympus Photon Microscope (2)		
	Restricted Funds	719,000	-0-
<b>10.</b>	<b>WESTERN KENTUCKY UNIVERSITY</b>		
001.	Renovation at the Center for Research and Development #1		
	Restricted Funds	12,300,000	-0-
002.	Renovate Gordon Wilson Hall		
	Restricted Funds	11,600,000	-0-
003.	Expand Gatton Academy of Math and Science		
	Other Funds	10,000,000	-0-
004.	Miscellaneous Maintenance Pool – 2014-2016		
	Restricted Funds	10,000,000	-0-
005.	Renovate Garrett Conference Center Academic Space		



Restricted Funds	8,700,000	-0-
<b>006. Renovate Garrett Conference Center Food Court</b>		
Restricted Funds	7,000,000	-0-
<b>007. Renovate Central Heat Plant</b>		
Restricted Funds	5,100,000	-0-
<b>008. Upgrade IT Infrastructure</b>		
Restricted Funds	4,979,000	-0-
<b>009. Construct Baseball Grandstand</b>		
Other Funds	4,500,000	-0-
<b>010. Renovate Art Lab/Museum</b>		
Restricted Funds	4,200,000	-0-
<b>011. Construct Track and Field Facilities Phase I</b>		
Other Funds	4,000,000	-0-
<b>012. Acquire Furniture, Fixtures, and Equipment for Diddle Arena</b>		
Other Funds	3,000,000	-0-
<b>013. Acquire Furniture, Fixtures, and Equipment for Honors College</b>		
Restricted Funds	3,000,000	-0-
<b>014. Demolish Thompson North Wing and Replace with Temporary Facility</b>		
Restricted Funds	3,000,000	-0-
<b>015. Parking and Street Improvements – 2014-2016</b>		
Restricted Funds	3,000,000	-0-
<b>016. Purchase Property for Campus Expansion – 2014-2016</b>		
Restricted Funds	3,000,000	-0-
<b>017. Renovate/Addition to Health Services Facility</b>		
Restricted Funds	2,000,000	-0-
Other Funds	1,000,000	-0-
<b>TOTAL</b>	<b>3,000,000</b>	<b>-0-</b>

<b>018.</b> Acquire Equipment Pool – 2014-2016		
Restricted Funds	2,500,000	-0-
<b>019.</b> Construct South Plaza		
Other Funds	2,500,000	-0-
<b>020.</b> Renovation at the Center for Research and Development #2		
Restricted Funds	2,300,000	-0-
<b>021.</b> Add Club Seating at Diddle Arena		
Other Funds	2,200,000	-0-
<b>022.</b> Construct Football Pressbox		
Other Funds	2,200,000	-0-
<b>023.</b> Renovation at the Center for Research and Development #3		
Restricted Funds	2,200,000	-0-
<b>024.</b> Acquire Furniture, Fixtures, and Equipment for Hardin County Project		
Restricted Funds	2,000,000	-0-
<b>025.</b> Design Environmental Science and Technology Hall Renovation		
Restricted Funds	2,000,000	-0-
<b>026.</b> Construct Nanotechnology Laboratory		
Restricted Funds	1,900,000	-0-
<b>027.</b> Renovate State and Normal Street Properties		
Restricted Funds	1,500,000	-0-
<b>028.</b> Renovate Foundation Building		
Restricted Funds	1,200,000	-0-
<b>029.</b> Renovate Tate Page Hall		
Restricted Funds	1,200,000	-0-
<b>030.</b> Acquire Bus Replacements		
Restricted Funds	1,000,000	-0-
<b>031.</b> Design Agriculture Expo Center Renovation		

Restricted Funds	1,000,000	-0-
<b>032. Interior Renovation Jones Jagers</b>		
Restricted Funds	1,000,000	-0-
<b>033. Renovate Grise Hall Restrooms (ADA)</b>		
Restricted Funds	930,000	-0-
<b>034. Major Repairs Smith Stadium</b>		
Restricted Funds	800,000	-0-
<b>035. Raze and Replace Student Housing at Western Kentucky University Farm</b>		
Restricted Funds	800,000	-0-
<b>036. Alumni Center – Lease</b>		
<b>037. College of Business – Lease</b>		
<b>038. Nursing and Physical Therapy – Lease</b>		
<b>039. Parking Garage – Lease</b>		
<b>040. Pearce Ford Tower Food Court – Lease</b>		
<b>041. South Regional Postsecondary Education Center – Lease</b>		
<b>042. Replace Underground Infrastructure - Steam/Electric</b>		
Restricted Funds	30,000,000	-0-
<b>043. Construct New Gordon Ford College of Business and Renovate Grise Hall</b>		
Restricted Funds	77,200,000	-0-
<b>044. Capital Renewal Pool (Maintenance Pool) 2014</b>		
Restricted Funds	10,000,000	-0-
<b>045. Renovate Helm/Cravens Library</b>		
Restricted Funds	41,800,000	-0-
<b>046. Renovate Ivan Wilson, Phase II</b>		
Restricted Funds	26,100,000	-0-

**047. Renovate Academic Complex**

Restricted Funds	27,500,000	-0-
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**048. 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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<b>006. Construct Carrollton Campus Phase I – Jefferson CTC</b>		
Restricted Funds	4,000,000	-0-
Agency Bonds	12,000,000	-0-
TOTAL	16,000,000	-0-
<b>007. Construct Agriculture Health and Career Technology Center Phase I – Hopkinsville CC</b>		
Restricted Funds	3,750,000	-0-
Agency Bonds	11,250,000	-0-
TOTAL	15,000,000	-0-
<b>008. Construct Urban Campus – Gateway CTC</b>		
Restricted Funds	3,750,000	-0-
Agency Bonds	11,250,000	-0-
TOTAL	15,000,000	-0-
<b>009. Construct Advanced Technology Center Phase II – Owensboro CTC</b>		
Restricted Funds	3,000,000	-0-
Agency Bonds	9,000,000	-0-
TOTAL	12,000,000	-0-
<b>010. KCTCS Equipment Pool – 2014-2016</b>		
Restricted Funds	12,000,000	-0-
<b>011. Construct 2D Arts School Phase I – West Kentucky CTC</b>		
Restricted Funds	2,500,000	-0-
Agency Bonds	7,500,000	-0-
TOTAL	10,000,000	-0-
<b>012. KCTCS Property Acquisition Pool – 2014-2016</b>		
Restricted Funds	10,000,000	-0-
<b>013. Construct Educational Alliance Center - Middlesboro Campus – Southeast Kentucky CTC</b>		

Restricted Funds	2,500,000	-0-
Agency Bonds	7,500,000	-0-
TOTAL	10,000,000	-0-
<b>014. Renovate Main Building – College Drive – Ashland CTC</b>		
Restricted Funds	2,500,000	-0-
Agency Bonds	7,500,000	-0-
TOTAL	10,000,000	-0-
<b>015. Acquisition of System Office Building</b>		
Restricted Funds	6,300,000	-0-
<b>016. Renovate Campus Wide Facilities – Henderson CC</b>		
Restricted Funds	1,250,000	-0-
Agency Bonds	3,750,000	-0-
TOTAL	5,000,000	-0-
<b>017. Renovate Denham Building Exterior – Maysville CTC</b>		
Restricted Funds	4,011,000	-0-
<b>018. Renovate Administration Building – Whitesburg – Southeast Kentucky CTC</b>		
Restricted Funds	3,734,000	-0-
<b>019. Renovate HVAC System Phase I – Owensboro CTC</b>		
Restricted Funds	3,297,000	-0-
<b>020. Purchase Leitchfield Property – Elizabethtown CTC</b>		
Restricted Funds	3,000,000	-0-
<b>021. Renovate HVAC System – Meece Building – Somerset CC</b>		
Restricted Funds	3,000,000	-0-
<b>022. Renovate Building for Skilled Crafts Training Center, Phase III – West Kentucky CTC</b>		
Restricted Funds	2,630,000	-0-

<b>023.</b>	Construct Arts and Humanities Building – Somerset CC North		
	Restricted Funds	500,000	-0-
	Agency Bonds	1,500,000	-0-
	TOTAL	2,000,000	-0-
<b>024.</b>	Construct Community Intergenerational Center – Lees-Hazard CTC		
	Restricted Funds	500,000	-0-
	Agency Bonds	1,500,000	-0-
	TOTAL	2,000,000	-0-
<b>025.</b>	Expansion of Pikeville Campus – Big Sandy CTC		
	Restricted Funds	500,000	-0-
	Agency Bonds	1,500,000	-0-
	TOTAL	2,000,000	-0-
<b>026.</b>	Renovate Collegewide Facilities – Big Sandy CTC		
	Restricted Funds	2,000,000	-0-
<b>027.</b>	Renovations Main Campus – West Kentucky CTC		
	Restricted Funds	2,000,000	-0-
<b>028.</b>	ADA Upgrades J. Phil Smith Building – Hazard CTC		
	Restricted Funds	1,935,000	-0-
<b>029.</b>	Construct Maintenance and Technical Building – West Kentucky CTC		
	Restricted Funds	1,885,000	-0-
<b>030.</b>	Construct Welding Lab – Main Campus – Henderson CC		
	Restricted Funds	1,707,000	-0-
<b>031.</b>	Soil Stabilization – Industrial Education Building – Hazard CTC		
	Restricted Funds	1,650,000	-0-
<b>032.</b>	Construct CPAT Center, State Fire and Rescue Training		
	Restricted Funds	1,500,000	-0-
<b>033.</b>	Install Sprinkler Systems – West Kentucky CTC		

Restricted Funds	1,500,000	-0-
<b>034.</b> Master Plan Development and Upgrade Pool – 2014-2016		
Restricted Funds	1,500,000	-0-
<b>035.</b> Construct Parking Lot and Lighting – Madisonville CC		
Restricted Funds	1,375,000	-0-
<b>036.</b> Construct Arboretum and Trails – Maysville CTC		
Restricted Funds	1,320,000	-0-
<b>037.</b> Renovation Utility Upgrade – Leestown Campus – Bluegrass CTC		
Restricted Funds	1,200,000	-0-
<b>038.</b> Acquire Land – Elizabethtown CTC		
Restricted Funds	1,000,000	-0-
<b>039.</b> Construct 2nd Floor Lab Technology Center – Hopkinsville CC		
Restricted Funds	1,000,000	-0-
<b>040.</b> Construct New Entrance – Leestown – Bluegrass CTC		
Restricted Funds	1,000,000	-0-
<b>041.</b> Construct Second Entrance – Main – Madisonville CC		
Restricted Funds	1,000,000	-0-
<b>042.</b> Renovate Owen Classroom Building – Elizabethtown CTC		
Restricted Funds	250,000	-0-
Agency Bonds	750,000	-0-
TOTAL	1,000,000	-0-
<b>043.</b> Replace Fire Alarm and Security System – Maysville CTC		
Restricted Funds	1,000,000	-0-
<b>044.</b> Site and Infrastructure Improvements – Somerset CC		
Restricted Funds	1,000,000	-0-
<b>045.</b> 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-
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- 053. Ashland Property Acquisition - Ashland CTC

Restricted Funds	10,000,000	-0-
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#### **K. PUBLIC PROTECTION CABINET**

<b>Budget Units</b>	<b>2014-15</b>	<b>2015-16</b>
<b>1. INSURANCE</b>		
001. Franklin County – Lease		
<b>2. HOUSING, BUILDINGS AND CONSTRUCTION</b>		
001. Franklin County – Lease		

#### **L. TOURISM, ARTS AND HERITAGE CABINET**

<b>Budget Units</b>	<b>2014-15</b>	<b>2015-16</b>
<b>1. PARKS</b>		
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.

## 2. HORSE PARK COMMISSION

**001. Maintenance Pool – 2014-2016**

Investment Income	575,000	575,000
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## 3. STATE FAIR BOARD

**001. Kentucky International Convention Center Renovation and Expansion**

Other Funds	124,000,000	-0-
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**002. Freedom Hall Sewer Line Replacement**

Bond Funds	3,224,000	-0-
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## 4. FISH AND WILDLIFE RESOURCES

**001. Fees-in-Lieu-of Stream Mitigation Projects Pool**

Restricted Funds	20,000,000	20,000,000
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**002. Land Acquisition Pool – 2014-2016**

Restricted Funds	1,000,000	1,000,000
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## 5. HISTORICAL SOCIETY

**001. Digital Initiatives**

Bond Funds	1,000,000	-0-
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Other Funds	2,500,000	-0-
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TOTAL	3,500,000	-0-
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**6. KENTUCKY CENTER FOR THE ARTS****001. Roof Replacement**

Bond Funds	2,200,000	-0-
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**002. Maintenance Pool – 2014-2016**

Investment Income	160,000	160,000
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**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 \$10,075,023,600 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 \$237,000,000 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 \$249,500,000 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.

#### 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
<b>A. GENERAL GOVERNMENT</b>			
<b>1. Kentucky Infrastructure Authority</b>			
Agency Revenue Fund	-0-	615,200	-0-
<b>2. Military Affairs</b>			
Agency Revenue Fund	-0-	5,000,000	-0-

**3. Military Affairs**

Other Special Revenue Fund	-0-	450,000	-0-
(KRS 39E.050(3))			

**4. Department for Local Government**

Other Special Revenue Fund	-0-	110,800	-0-
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**5. Secretary of State**

Agency Revenue Fund	-0-	1,300,000	1,300,000
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**B. ECONOMIC DEVELOPMENT CABINET****1. Economic Development**

Other Special Revenue Fund	-0-	435,000	435,000
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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-
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**2. Operations and Support Services**

Other Special Revenue Fund	-0-	150,000	-0-
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**D. EDUCATION AND WORKFORCE DEVELOPMENT CABINET****1. Direct Local Aid**

Agency Revenue Fund	-0-	300,000	-0-
(KRS 142.010(5))			

**E. ENERGY AND ENVIRONMENT CABINET****1. Secretary**

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-	750,000	-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 Policy**

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-	9,000,000	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-
(KRS 18A.375(3))			

**3. Public Employee Health Trust Fund**

Enterprise Fund	-0-	93,000,000	-0-
(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
(KRS 164.7891(11))			

**3. Kentucky Community and Technical College System**

Agency Revenue Fund	-0-	10,000,000	5,000,000
(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-
(KRS 95A.262(14))			

**K. PUBLIC PROTECTION CABINET**

**1. Alcoholic Beverage Control**

Agency Revenue Fund	-0-	700,000	700,000
(KRS 243.025(3))			

**2. Financial Institutions**

Agency Revenue Fund	-0-	6,500,000	6,000,000
(KRS 286.01-485)			

**3. Horse Racing Commission**

Agency Revenue Fund	-0-	1,000,000	-0-
(KRS 138.510 and 230.265)			

**4. Insurance**

Agency Revenue Fund	-0-	23,250,000	21,750,000
(KRS 304.2-300(1) and (4), 304.2-400, and 304.2-440(4))			

**L. TOURISM, ARTS AND HERITAGE CABINET****1. Secretary**

Agency Revenue Fund	-0-	4,000,000	2,000,000
(KRS 142.406(2) and (3))			

**2. Arts Council**

Agency Revenue Fund	-0-	600,000	-0-
(KRS 153.220(8))			

TOTAL - FUNDS TRANSFER	3,100,000	212,722,700	68,092,100
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**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 \$9,801,199,200 in fiscal year 2014-2015 and \$10,075,933,600 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 26, 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), \$31,101,600 in fiscal year 2014-2015 and \$12,221,200 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 \$21,300,000 in fiscal year 2014-2015 and \$10,500,000 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		
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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

<b>Budget Unit</b>	<b>2014-15</b>	<b>2015-16</b>
a. Council on Postsecondary Education	4,972,500	3,607,500
<b>(1) Lung Cancer Research Fund:</b> Included in the above General Fund (Tobacco) appropriation is \$4,972,500 in fiscal year 2014-2015 and \$3,607,500 in fiscal year 2015-2016 for the Lung Cancer Research Fund (KRS 164.476).		
TOTAL - HEALTH CARE APPROPRIATIONS	9,159,000	6,652,400
TOTAL - PHASE I TOBACCO SETTLEMENT		
FUNDING PROGRAM	101,879,500	74,579,500

## PART XI

### STATE/EXECUTIVE BRANCH BUDGET SUMMARY

#### OPERATING BUDGET

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
General Fund (Tobacco)	-0-	101,879,500	74,579,500
General Fund	32,884,900	9,648,367,100	9,846,523,500
Restricted Funds	58,893,300	7,068,273,400	7,233,702,200
Federal Funds	751,684,200	10,167,438,400	10,480,251,500
Road Fund	-0-	100,301,100	101,489,300
SUBTOTAL	843,462,400	27,086,259,500	27,736,546,000

#### CAPITAL PROJECTS BUDGET

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
General Fund	-0-	326,000	2,600,000
Restricted Funds	-0-	3,699,648,000	81,959,000
Federal Funds	-0-	140,837,800	37,319,300
Bond Funds	-0-	217,836,200	45,068,000
Agency Bonds	-0-	270,500,000	-0-

Capital Construction Surplus	-0-	1,735,000	-0-
Investment Income	-0-	3,013,000	3,013,000
Other Funds	-0-	944,150,000	2,375,000
SUBTOTAL	-0-	5,278,046,000	172,334,300

**TOTAL - STATE/EXECUTIVE BUDGET**

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
General Fund (Tobacco)	-0-	101,879,500	74,579,500
General Fund	32,884,900	9,648,693,100	9,849,123,500
Restricted Funds	58,893,300	10,767,921,400	7,315,661,200
Federal Funds	751,684,200	10,308,276,200	10,517,570,800
Road Fund	-0-	100,301,100	101,489,300
Bond Funds	-0-	217,836,200	45,068,000
Agency Bonds	-0-	270,500,000	-0-
Capital Construction Surplus	-0-	1,735,000	-0-
Investment Income	-0-	3,013,000	3,013,000
Other Funds	-0-	944,150,000	2,375,000
TOTAL FUNDS	843,462,400	32,364,305,500	27,908,880,300

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.