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**General Fund Budget Reduction Order 18-01**

**COMMONWEALTH OF KENTUCKY  
OFFICE OF STATE BUDGET DIRECTOR**

ALISON LUNDERGAN GRIMES  
SECRETARY OF STATE  
COMMONWEALTH OF KENTUCKY  
BY: R. Adler

**AN ORDER DIRECTING THE REDUCTION OF CERTAIN APPROPRIATIONS TO APPROPRIATION UNITS OF THE GOVERNMENT OF THE COMMONWEALTH AND DIRECTING CERTAIN FUND TRANSFER ACTIONS TO PREVENT A DEFICIT IN THE FINANCES OF THE COMMONWEALTH OF KENTUCKY**

WHEREAS, funds were appropriated for the operation, maintenance, support, and functioning of the Government of the Commonwealth of Kentucky for fiscal year 2018, by the 2016 Regular Session of the General Assembly, based on a General Fund revenue estimate of \$10,874,400,000 as specified in 2016 Kentucky Acts Chapter 149, Part VI, as modified by related Acts and actions of the General Assembly in a regular session; and

WHEREAS, in accordance with KRS 48.120(3), the Consensus Forecast Group on December 15, 2017, revised the official General Fund revenue estimate for fiscal year 2018 to \$10,718,400,000, or \$156,000,000 less than the official revenue estimate as specified in 2016 Kentucky Acts Chapter 149, Part VI; and

WHEREAS, this forecast reduction in General Fund revenues, if realized as anticipated by the official General Fund revenue estimate, will result in the incurrence of a deficit in the General Fund finances of the Government of the Commonwealth if funds are allotted to the appropriation units of the Government and expended in accordance with the levels authorized in 2016 Kentucky Acts Chapter 149; and

WHEREAS, the combined effect of the estimated revenue shortfall and dedicated revenue result in a total General Fund budget shortfall of \$158,000,000; and

WHEREAS, \$10,934,300 in General Fund appropriations are expected to lapse to the General Fund in excess of the amount budgeted to lapse; and

WHEREAS, the Local Government Economic Assistance Fund and the Local Government Economic Development Fund have been adjusted to equal estimated receipts; and

WHEREAS, the General Fund Budget Reduction Plan as set forth in Part VI of House Bill 303, as enacted by the 2016 Regular Session of the General Assembly, provides in Section 2 that transfers of excess unappropriated Restricted Funds shall be applied to the revenue shortfall; and

WHEREAS, after the application of sections 6 and 8 of Part VI of House Bill 303, Part VI further directs the reduction of General Fund appropriations in Executive Branch Agencies' operating budget units; and

WHEREFORE, it is necessary to effect a reduction in General Fund appropriations to the appropriation units of the Commonwealth to prevent such deficit; and

NOW, THEREFORE, it is hereby found by the State Budget Director, with the approval of the Governor of the Commonwealth, and pursuant to the authority vested in the Office of State Budget Director and the Secretary of the Finance and Administration Cabinet by 2016 Kentucky Acts Chapter 149, Part VI, and

Chapter 48 of the Kentucky Revised Statutes, that it will be necessary, to prevent a deficit in the finance of the Commonwealth, to reduce the appropriations for fiscal year 2018 to the appropriation units of the Government of the Commonwealth from the amounts appropriated, to the amounts hereinafter set forth; and having so found, it is hereby ordered and directed that the appropriations to the appropriation units of the Government of the Commonwealth be reduced to, and allotments adjusted on the basis of the amounts hereinafter listed, to wit:

**General Fund Budget Reduction Order 18-01**


**APPROVED AS TO FORM AND LEGALITY:**



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Brett R. Nolan, General Counsel  
Finance and Administration Cabinet

**DONE AT FRANKFORT, KENTUCKY THIS 28th DAY OF DECEMBER, 2017**



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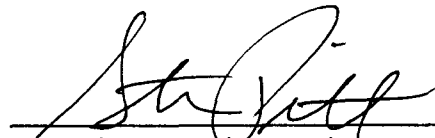
John E. Chilton, State Budget Director  
Office of State Budget Director



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for: William M. Landrum III  
Finance and Administration Cabinet

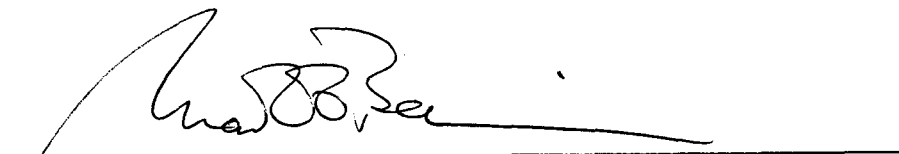
**EXAMINED:**



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Steve Pitt, General Counsel  
Office of the Governor

**APPROVED:**



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Matthew G. Bevin  
Governor

**Transfers to the General Fund**

<b><u>Appropriation Unit</u></b>	<b><u>Account Number</u></b>	<b><u>FY 2017-2018</u></b>
<b>Department for Veterans' Affairs</b> Veterans Center Fund	1324-074	992,300
<b>Department for Military Affairs</b> CCDF Operation Fund	1360-095	515,500
<b>GRAND TOTAL</b>		<b><u><u>1,507,800</u></u></b>

**FY 2017-2018 General Fund Revenue Shortfall  
Summary**

	<u>Amount</u>
Revenue Shortfall	156,000,000
Dedicated Revenue	2,000,000
<b>Total General Fund Budget Shortfall</b>	<b><u>158,000,000</u></b>
 <b>Solutions:</b>	
Restricted Fund Transfers - Executive Branch	(1,507,800)
Dedicated Appropriation Reduction	(13,447,000)
Unrealized Debt Service Lapse	(10,934,300)
General Fund Appropriation Reductions-Executive Branch	(126,634,800)
General Fund Appropriation Reductions-Judicial Branch	(4,668,200)
General Fund Appropriation Reductions-Legislative Branch	(807,900)
Use of the Budget Reserve Trust Fund	0
<b>Total Solutions</b>	<b><u>(158,000,000)</u></b>

**General Fund Appropriation Reductions**

<b>Appropriation Unit</b>	<b>FY 2017-2018 General Fund Current Appropriations</b>	<b>FY 2017-2018 General Fund Revised Appropriations</b>	<b>FY 2017-2018 General Fund Appropriation Reductions</b>
<b>General Government</b>			
Commonwealth Attorneys	49,024,300	49,024,300	-
County Attorneys	42,647,000	42,647,000	-
Agriculture	17,244,869	17,027,069	(217,800)
Attorney General	11,034,400	10,893,400	(141,000)
Auditor of Public Accounts	4,948,600	4,885,300	(63,300)
Registry of Election Finance	1,231,700	1,231,700	-
Veterans' Affairs	19,083,000	19,083,000	-
Kentucky Infrastructure Authority	2,087,000	2,024,700	(62,300)
Kentucky River Authority	258,200	245,000	(13,200)
Homeland Security	231,800	219,900	(11,900)
Military Affairs	13,282,800	13,282,800	-
Kentucky Retirement Systems	87,574,300	87,574,300	-
Secretary of State	1,784,100	1,761,300	(22,800)
Treasury	1,989,900	1,964,500	(25,400)
KY Communications Network Authority		-	-
Board of Elections	3,989,300	3,989,300	-
School Facilities Construction Commission	134,918,000	134,918,000	-
Executive Branch Ethics Commission	450,200	450,200	-
Commission on Human Rights	1,781,800	1,690,500	(91,300)
Commission on Women	237,400	225,200	(12,200)
Teachers' Retirement System	744,837,200	744,837,200	-
Office of State Budget Director	3,165,500	3,003,300	(162,200)
State Planning Fund	137,200	130,200	(7,000)
Office of the Governor	5,516,800	5,234,200	(282,600)
Department for Local Government	15,705,300	14,900,800	(804,500)
Local Government Economic Assistance Fund	45,193,400	45,193,400	-
Local Government Economic Development Fund	11,400,000	11,400,000	-
Area Development Fund	431,000	408,900	(22,100)
<b>Total - General Government</b>	<b>1,220,185,069</b>	<b>1,218,245,469</b>	<b>(1,939,600)</b>
<b>Transportation</b>			
Aviation	13,381,748	13,381,748	-
Public Transportation	5,898,837	5,579,837	(319,000)
General Administration	500,000	500,000	-
<b>Total - Transportation</b>	<b>19,780,585</b>	<b>19,461,585</b>	<b>(319,000)</b>

**General Fund Appropriation Reductions**

<b>Appropriation Unit</b>	<b>FY 2017-2018 General Fund Current Appropriations</b>	<b>FY 2017-2018 General Fund Revised Appropriations</b>	<b>FY 2017-2018 General Fund Appropriation Reductions</b>
<b>Economic Development</b>			
Economic Development	22,845,648	22,845,648	-
<b>Total - Economic Development</b>	<b>22,845,648</b>	<b>22,845,648</b>	<b>-</b>
<b>Finance and Administration Cabinet</b>			
Revenue	90,056,400	85,443,100	(4,613,300)
General Administration	13,575,300	13,221,100	(354,200)
Debt Service	469,749,500	469,749,500	-
Office of Inspector General	700,000	664,100	(35,900)
Controller	5,893,900	5,592,000	(301,900)
County Costs	15,897,000	15,897,000	-
Facilities and Support Services	6,072,800	5,801,400	(271,400)
ANOC - Misc Appropriations	17,026,400	17,026,400	-
Judgments	125,000	125,000	-
Kentucky Permanent Pension Fund		-	-
Property Valuation Administrators	47,600,200	45,161,800	(2,438,400)
<b>Total - Finance and Administration Cabinet</b>	<b>666,696,500</b>	<b>658,681,400</b>	<b>(8,015,100)</b>
<b>Postsecondary Education</b>			
Kentucky Higher Education Assistance Authority	260,999,084	260,999,084	-
Council on Postsecondary Education	43,969,383	41,855,283	(2,114,100)
Eastern Kentucky University	65,045,200	64,394,700	(650,500)
Kentucky State University	26,729,600	26,462,300	(267,300)
Morehead State University	41,642,600	41,226,200	(416,400)
Murray State University	45,802,100	45,344,100	(458,000)
Northern Kentucky University	51,621,100	51,104,900	(516,200)
University of Kentucky	267,089,200	264,418,300	(2,670,900)
University of Louisville	132,758,000	131,430,400	(1,327,600)
Western Kentucky University	74,653,800	73,907,300	(746,500)
Ky Community & Technical College System	181,605,000	179,788,900	(1,816,100)
<b>Total - Postsecondary Education</b>	<b>1,191,915,067</b>	<b>1,180,931,467</b>	<b>(10,983,600)</b>
<b>Tourism, Arts and Heritage Cabinet</b>			
State Fair Board	4,902,200	4,603,000	(299,200)
Kentucky Heritage Council	717,100	704,500	(12,600)
Arts Council	2,640,700	2,628,100	(12,600)
Kentucky Historical Society	5,596,500	5,530,400	(66,100)
Ky Center for the Arts	915,100	883,600	(31,500)
Horse Park Commission	2,417,600	2,291,600	(126,000)
Parks	36,044,800	36,044,800	-
Secretary	2,723,000	2,382,000	(341,000)
Artisans Center	404,400	392,700	(11,700)
Travel	2,874,600	2,838,400	(36,200)
<b>Total - Tourism, Arts and Heritage Cabinet</b>	<b>59,236,000</b>	<b>58,299,100</b>	<b>(936,900)</b>

**General Fund Appropriation Reductions**

<b>Appropriation Unit</b>	<b>FY 2017-2018 General Fund Current Appropriations</b>	<b>FY 2017-2018 General Fund Revised Appropriations</b>	<b>FY 2017-2018 General Fund Appropriation Reductions</b>
<b>Education and Workforce Development Cabinet</b>			
Education Professional Standards Board	6,839,300	6,113,700	(725,600)
Deaf and Hard of Hearing	873,900	856,800	(17,100)
General Administration and Program Support	13,470,600	13,436,400	(34,200)
Vocational Rehabilitation	11,872,700	11,872,700	-
Office for the Blind	1,438,700	1,438,700	-
Kentucky Educational Television	13,923,200	13,204,400	(718,800)
Libraries and Archives-Direct Local Aid	7,058,100	7,058,100	-
Libraries and Archives-General Operations	5,943,700	4,730,600	(1,213,100)
<b>Total - Education and Workforce Development Cabinet</b>	<b>61,420,200</b>	<b>58,711,400</b>	<b>(2,708,800)</b>
<b>Department of Education</b>			
Operations and Support Services	59,458,852	58,515,552	(943,300)
Learning and Results Services	1,013,855,759	994,276,959	(19,578,800)
SEEK	3,035,552,853	3,035,552,853	-
<b>Total - Department of Education</b>	<b>4,108,867,464</b>	<b>4,088,345,364</b>	<b>(20,522,100)</b>
<b>Health and Family Services Cabinet</b>			
General Admin and Program Support	31,639,000	31,549,200	(89,800)
Health Policy	441,500	441,500	-
Aging and Independent Living Services	42,664,200	42,586,600	(77,600)
Income Support	7,591,000	7,576,900	(14,100)
Public Health	74,414,000	70,054,100	(4,359,900)
Behavioral Health Development & Intellectual Disab.	180,949,600	180,488,700	(460,900)
Family Resource Centers & Volunteer Services	27,486,800	27,486,800	-
Community Based Services	383,906,100	383,906,100	-
Medicaid Administration	40,407,600	40,407,600	-
Medicaid Benefits	1,945,430,200	1,880,812,400	(64,617,800)
Children with Special Health Care Needs	5,624,800	5,624,800	-
<b>Total - Health and Family Services Cabinet</b>	<b>2,740,554,800</b>	<b>2,670,934,700</b>	<b>(69,620,100)</b>
<b>Justice and Public Safety Cabinet</b>			
Justice Administration	31,855,000	30,486,500	(1,368,500)
Public Advocacy	50,399,300	50,399,300	-
State Police	98,429,600	98,429,600	-
Juvenile Justice	86,234,500	81,696,200	(4,538,300)
Corrections Management	10,544,900	9,951,200	(593,700)
Community Services and Local Facilities	202,456,800	202,456,800	-
Adult Correctional Institutions	271,796,300	271,796,300	-
Local Jail Support	17,778,877	16,922,777	(856,100)
<b>Total - Justice and Public Safety Cabinet</b>	<b>769,495,277</b>	<b>762,138,677</b>	<b>(7,356,600)</b>
<b>Personnel Cabinet</b>			
State Group Health Insurance Fund	873,200	828,500	(44,700)



**General Fund Appropriation Reductions**

<b>Appropriation Unit</b>	<b>FY 2017-2018 General Fund Current Appropriations</b>	<b>FY 2017-2018 General Fund Revised Appropriations</b>	<b>FY 2017-2018 General Fund Appropriation Reductions</b>
<b>Labor Cabinet</b>			
Office of the Secretary	474,321	434,421	(39,900)
Workplace Standards	2,025,300	1,921,500	(103,800)
General Administration and Program Support	1,621,934	1,621,934	
<b>Total - Labor Cabinet</b>	<b>4,121,555</b>	<b>3,977,855</b>	<b>(143,700)</b>
<b>Energy and Environment Cabinet</b>			
Public Service Commission	17,193,279	16,730,179	(463,100)
Ky Nature Preserves Commission	1,061,500	1,007,100	(54,400)
Secretary	3,059,400	2,902,700	(156,700)
Office of Administrative Services	851,515	756,715	(94,800)
Energy Development and Independence	1,249,200	1,185,200	(64,000)
Natural Resources	32,632,200	30,960,500	(1,671,700)
Environmental Protection	22,479,100	21,336,800	(1,142,300)
<b>Total - Energy and Environment Cabinet</b>	<b>78,526,194</b>	<b>74,879,194</b>	<b>(3,647,000)</b>
<b>Public Protection Cabinet</b>			
Horse Racing Commission	2,647,200	2,379,800	(267,400)
Kentucky Claims Commission	1,239,200	1,239,200	-
Office of the Secretary	550,930	488,630	(62,300)
Alcoholic Beverage Control	591,700	523,800	(67,900)
Housing, Buildings and Construction	2,414,500	2,414,500	-
<b>Total - Public Protection Cabinet</b>	<b>7,443,530</b>	<b>7,045,930</b>	<b>(397,600)</b>
Budget Reserve Trust Fund	78,284,983	78,284,983	-
<b>TOTAL-EXECUTIVE BRANCH</b>	<b>11,030,246,072</b>	<b>10,903,611,272</b>	<b>(126,634,800)</b>