

Staff Analysis of Free Conference Committee Report

On HB 200

Adopt the provisions of HB 200 with the following changes:

A. GENERAL GOVERNMENT

Office of State Budget Director

Adds notwithstanding language to eliminate funding for the State Planning Fund.

Department of Veterans' Affairs

Provides additional General Fund support of \$1,192,700 in each fiscal year to restore the Governor's 6.25% cut to the agency.

Restores language to direct General Fund support of \$93,700 in each fiscal year to the Brain Injury Alliance of Kentucky and \$93,700 in each fiscal year to the Epilepsy Foundation of Kentuckiana.

Restores language to direct General Fund support of \$187,500 in each fiscal year for grants to Veterans' Service Organization programs.

Adds language to re-authorize construction of the Bowling Green Veterans' Center. The language stipulates that bonds may not be sold until federal funds are available to support construction. If bonds are sold, the required debt service shall be deemed a necessary government expense.

Restores language to express the desire of the General Assembly that future beds allocated or re-allocated be dedicated to a state veterans' nursing home in Magoffin County to serve that area.

Governor's Office of Agricultural Policy

Moves language regarding the Kentucky Agricultural Finance Corporation to the 2018 Revenue Bill - HB 366.

Removes additional General Fund (Tobacco) appropriation of \$4 million in FY18 for the Counties Account.

Adds language directing General Fund (Tobacco) support of \$7 million in FY19 and \$6 million in FY20 to be used solely for grants to the State Fair Board for capital improvements to agricultural event space.

Kentucky Infrastructure Authority (KIA)

Moves language regarding the Administrative Fee on Infrastructure for Economic Development Fund Projects to the 2018 Revenue Bill - HB 366.

Department of Military Affairs

Restores language to direct General Fund support of \$335,000 in each fiscal year to Bluegrass Challenge Academy and \$335,000 in each fiscal year to the Appalachian Youth Challenge Academy.

Commission on Human Rights

Provides additional General Fund support of \$525,900 in each fiscal year to restore 31% of the baseline budget cuts.

Commission on Women

Adds notwithstanding language to eliminate funding for the Commission on Women.

Department for Local Government

Reduces General Fund appropriations by \$7.7 million in each fiscal year. Of that reduction, \$7.5 million is for transfers to the Kentucky Coal Fields Endowment, which are now made from the Local Government Economic Development Program at a reduced level, and \$200,000 is for administrative costs of the SOAR program.

Restores language to direct General Fund support of \$1,984,000 in each fiscal year for the Joint Funding Administration Program to support Area Development Districts.

Adds language to specify that the total \$1,984,000 appropriated to the Joint Funding Administration Program shall be distributed to the Area Development Districts in accordance with a formula. The formula allocates 70% of the total funding equally among the Area Development Districts, 20% of the total funding on the basis of population, and 10% of the total funding on the basis of number of jurisdictions served. The language allows Area Development Districts the flexibility to direct the Department for Local Government to allocate any portion of the last 10% of total funding to maximize federal awards.

Restores language to direct General Fund support of \$257,800 in each fiscal year to the Mary Kendall Homes and \$257,800 in each fiscal year to the Gateway Juvenile Diversion program.

Local Government Economic Assistance Fund (LGEAF)

Reduces General Fund support by \$2,877,900 in FY19 and increases General Fund support by \$1,857,100 in FY20.

Adds language specifying that all mineral severance tax receipts directed to the Jefferson County Fiscal Court shall be used to support the Waterfront Botanical Gardens.

Local Government Economic Development Fund (LGEDF)

Reduces General Fund support by \$13,250,000 in FY19 and \$12,250,000 in FY20.

The table below shows the primary differences between the Governor's Recommended Budget and the Conference Committee Report with respect to coal severance tax receipt appropriations over the biennium.

PROGRAM	GOVERNOR	CONFERENCE COMMITTEE
Osteopathic Scholarships	652,000	0
Pharmacy Scholarships	1,160,000	0
Operation UNITE	4,000,000	1,000,000
SOAR Administration	400,000	0
Coal Fields Endowment	15,000,000	7,300,000
Robinson Scholars	0	1,000,000
Mining Engineering Scholarships	0	700,000
School Support (Unmined Minerals)	0	10,087,800

Area Development Fund

Restores language to provide flexibility to the Area Development Districts to request approval to transfer funding between the Area Development Fund and the Joint Funding Agreement Program.

Executive Branch Ethics Commission

Removes General Fund support of \$500,000 in each fiscal year that was added in the Governor's Recommended Budget for conducting reviews and investigations.

Removes language decreasing the Lobbyists Registration fee to \$199.

Registry of Election Finance

Adds General Fund support of \$62,900 in each fiscal year for leased space costs and COT expenses.

Attorney General

Moves language regarding the Child Victims' Trust Fund license plate to the 2018 Revenue Bill - HB 366.

Moves language regarding the use and disbursement of settlement funds to the 2018 Revenue Bill - HB 366.

Adds language to establish processes and restrictions for the use of contingency fee contracts subject to the provisions of KRS 45A.690 to 45A.725.

Restores language regarding the ability of state agencies to contract with the Office of the Attorney General for legal services.

Adds language specifying the disbursement of settlement funds from the Purdue Pharma settlement to Operation UNITE.

Unified Prosecutorial System (UPS)

Adds language requiring UPS to submit an employment classification and status and wage and benefits determination report to the Interim Joint Committee on Appropriations and Revenue.

Commonwealth's Attorneys

Removes General Fund support of \$1,529,300 in FY19 and \$1,600,200 in FY20 added in the Governor's Recommended Budget for additional prosecutors.

The conference committee concurs with the Governor and provides additional General Fund support of \$1,141,600 in FY19 and \$1,212,500 in FY20 to be used for the sole purpose of hiring additional prosecutors.

The conference committee concurs with the Governor and provides additional General Fund support of \$387,700 in each fiscal year and requires the funding to be expended on the Rocket Docket Program.

County Attorneys

Removes General Fund support of \$2,323,800 in FY19 and \$2,425,800 in FY20 added in the Governor's Recommended Budget for additional prosecutors.

The conference committee concurs with the Governor and provides additional General Fund support of \$1,619,000 in FY19 and \$1,720,900 in FY20 to be used for the sole purpose of hiring additional prosecutors.

The conference committee concurs with the Governor and provides additional General Fund support of \$549,800 in each fiscal year and requires the funding to be expended on the Rocket Docket Program.

Adds notwithstanding language to reduce the monthly expense allowance to \$400 for County Attorneys.

Department of Agriculture

Removes \$198,300 in General Fund (Tobacco) support for Farms to Food Banks in the current fiscal year and reduces the support by \$100,000 in each fiscal year of the biennium.

Removes General Fund support of \$400,000 in each fiscal year for the Grape and Wine Council.

Adds \$300,000 of General Fund support in each fiscal year for County Fair Improvement Grants.

Auditor of Public Accounts

Moves language regarding the Charges for Federal, State, and Local Audits to the 2018 Revenue Bill - HB 366.

Adds an additional \$865,900 in FY19 and \$981,700 in FY20 in Restricted Funds to reflect a change in the 2018 Revenue Bill – House Bill 366 that would allow the Auditor of Public Accounts to receive reimbursements of up to 75% for audits of local governments.

Personnel Board

Moves language regarding the Personnel Board Operating Assessment to the 2018 Revenue Bill - House Bill 366.

Kentucky Retirement Systems

Adds an additional \$1,086,200 in General Fund support in each fiscal year to be applied to the unfunded pension liability of the State Police Retirement System pension fund.

Kentucky River Authority

Moves language regarding Water Withdrawal Fees to the 2018 Revenue Bill - HB 366.

School Facilities Construction Commission

Increases General Fund support by \$612,300 in FY19 and \$1,224,600 in FY20 for debt service on \$15,263,000 in Bond Funds for Special Offers of Assistance:

- \$7,612,400 to Fort Thomas Schools for Johnson Elementary School
- \$7,650,300 to Menifee County Schools for Menifee Elementary School

Moves language regarding urgent needs school assistance reimbursements to the 2018 Revenue Bill – House Bill 366.

Teachers' Retirement System

Adds General Fund support of \$59.5 million in FY19 to cover the cost of single coverage for members who have retired since July 1, 2010, but are not yet eligible for Medicare.

Adds language requiring the TRS Medical Insurance Fund to absorb the employer costs of single coverage in FY20 for members who have retired since July 1, 2010, but are not yet eligible for Medicare.

Adds language requiring TRS to calculate single coverage members' contributions in the same manner as in Plan Year 2018.

Amends language to clarify that the dependent subsidy for members who have retired but are under age 65 takes effect for Plan Year 2019 rather than FY19.

Adds language to require the employee contribution to the Medical Insurance Fund to remain the same in the 2018-2020 fiscal biennium.

Appropriations Not Otherwise Classified

The Conference Committee concurred with the Governor to provide additional General Fund support of \$9.5 million in each fiscal year to reduce

the use of necessary government expenses spending authority for the Guardian ad litem program.

Kentucky Communications Network Authority

Removes General Fund support of \$2,820,200 in FY18, \$33,387,400 in FY19, and \$34,268,300 in FY20.

Adds language to provide necessary government expense spending authority to support availability payments and operating expenses in amounts not to exceed \$2,820,200 in FY18, \$33,387,400 in FY19, and \$34,268,300 in FY20.

B. ECONOMIC DEVELOPMENT CABINET

Restores language to allow Restricted Funds to be expended for additional Bluegrass State Skills Corporation training grants.

Reduces \$2 million of the additional \$4 million in General Fund support in each fiscal year that the Governor recommended for Bluegrass State Skills Corporation training grants.

Removes \$150,000 from the baseline General Fund support in each fiscal year for waterfront development in northern Kentucky.

Removes \$420,000 from the baseline General Fund support in each fiscal year for the Louisville Waterfront Development Corporation.

Removes language and General Fund support totaling \$5,112,300 in each fiscal year for the Science and Technology Program. The General Fund support is restored within the Council on Postsecondary Education appropriation unit.

Removes bond authority and associated debt service (FY20 - \$939,000) for \$21 million in bond funds for the Economic Development bond pools.

Adds language to allow Economic Development to use unobligated or uncommitted bonds that have been previously authorized for economic development projects.

C. DEPARTMENT OF EDUCATION

Support Education Excellence in Kentucky (SEEK) Program

Increases the SEEK Base Per-Pupil amount to \$4,000 in each fiscal year by increasing Base SEEK by \$14,301,000 in FY19 and \$14,199,900 in FY20 and increasing Tier I by \$765,600 in FY19 and \$752,000 in FY20.

Amends language to reduce the required SEEK lapse by \$7 million at the close of FY18, and to require any excess SEEK funding at the end of FY19 and FY20 to be re-allocated to SEEK Transportation in the same fiscal year.

Increases General Fund support for SEEK Transportation by \$127,806,100 in each fiscal year.

Increases General Fund support for the SEEK Employer Match by \$11,803,200 in FY19 and \$3,159,600 in FY20 to fully fund retiree health insurance contributions.

Amends language to clarify that the salary supplement for Nationally Board Certified Teachers is for public school teachers, and shall be pro rata reduced if the appropriation is insufficient to fully fund the supplement.

Moves language regarding the final SEEK calculation to the 2018 Revenue Bill – House Bill 366.

Increases General Fund support for recallable nickels by \$2,251,200 in FY19 and \$2,195,400 in FY20 to provide 25% equalization to districts that levied a recallable nickel in calendar years 2017 and 2018.

Adds language stating the General Assembly's intent to follow statutory requirements and not equalize new recallable nickels going forward.

Deletes redundant language requiring the number of instructional days.

Amends language regarding the hold-harmless guarantee to state that hold-harmless districts will not take part in any pro rata reduction if the SEEK appropriation is insufficient.

Restores language to state that districts providing education services to the Youth Challenge Academies will receive their funding through Military Affairs rather than the SEEK program.

Adds language to allow local school districts to apply to the Commissioner of Education to transfer up to 25% of their available capital funds for operating expenses in FY19.

Adds General Fund support of \$10,087,800 in FY19 to help 31 school districts offset the reduction in local revenues caused by the lowered assessment of unmined coal.

Adds language to provide \$7 million in FY18 for the Emergency Revolving School Loan Fund Account and detail the loans that may be made from that account to help local school districts facing extraordinary financial circumstances.

Operations and Support Services

Restores language to identify \$492,300 in General Fund support in each fiscal year for the Blind/Deaf Residential Travel Program.

Adds General Fund support of \$137,600 in each fiscal year for the School Food Services Program to fully leverage Federal Funds, and restores language to identify a total of \$3,555,900 in General Fund support in each fiscal year.

Removes General Fund support of \$1,275,000 in each fiscal year for the Kentucky Facilities and Inventory Classification System and restores language to identify the remaining \$600,000 in each fiscal year and direct the production of a report on all school buildings in the state.

Adds \$1 million in General Fund support in each fiscal year to pay the costs of Advanced Placement and International Baccalaureate testing for students who are eligible for free or reduced-price meals.

Adds \$1.75 million in General Fund support in each fiscal year for School Technology in Coal Counties (DataSeam).

Learning and Results Services

Amends language to require a report from each Family Resource and Youth Service Center if 70% or more of the center's funding is used to support the center director's salary.

Adds General Fund support of \$57,440,500 in FY19 and \$71,644,000 in FY20 to fully fund health insurance for both certified and classified school district employees.

Replaces \$1.3 million of General Fund (Tobacco) support in each fiscal year with General Fund support for the Save the Children Program.

Amends language to identify eliminated programs to conform with the "LARS List."

Restores language to provide local school districts additional flexibility regarding use of their Extended School Services and Safe Schools funding.

Restores and amends language to allow for the reappointment of members to the Advisory Council for Gifted and Talented Education to serve up to five consecutive terms and allow a member of the Kentucky Association for Gifted Education to be a voting member.

Restores language to allow the Center for School Safety to develop an allotment policy for its funds.

Restores language to give local school districts flexibility regarding their allocations to school based decision making councils.

Restores language to identify \$6,811,600 in FY19 and \$6,853,100 in FY20 for the Kentucky School for the Blind and \$10,019,700 in FY19 and \$10,080,600 in FY20 for the Kentucky School for the Deaf.

Restores language to identify funding for the "LARS List" programs and adds General Fund support to the following programs:

- \$575,000 in each fiscal year for AdvanceKentucky
- \$1.2 million in each fiscal year for the Collaborative Center for Literacy Development
- \$1.85 million in each fiscal year for the Community Education Program
- \$100,000 in each fiscal year for the Heuser Hearing and Language Academy
- \$100,000 in each fiscal year for the Lexington Hearing and Speech Center
- \$3,270,300 in each fiscal year for the Safe Schools Program
- \$250,000 in each fiscal year for Teach for America
- \$1 million in each fiscal year for Teacher Recruitment and Retention

Restores language to allow area vocational education centers to participate in the Education Technology Program.

Restores language to identify \$7.5 million in each fiscal year for the Preschool Partnership Grant Program.

D. EDUCATION AND WORKFORCE DEVELOPMENT CABINET

General Administration and Support

Removes General Fund support for debt service of \$2,121,000 in FY19 and \$6,363,000 in FY20 on \$100 million in bond funds for the Workforce Development Construction Pool and removes the capital project.

Removes \$2 million in General Fund support in each fiscal year for the Performance Incentives - Local Workforce Development Boards and Career Centers.

Removes \$4 million in General Fund Support in each fiscal year for the At-Risk Dropout Prevention Program.

Adds language to identify a total of \$1,758,700 in General Fund support in each fiscal year for the Governor's Scholars Program.

Reduces \$600,000 in FY20 in General Fund support and adds language directing the \$600,000 come from the GAPS General Fund appropriation to support the Kentucky Center for Education and Workforce Statistics (KCEWS).

Environmental Education Council

Adds \$214,400 in FY19 and \$217,700 in FY20 in Restricted Fund authorization and \$73,700 in FY19 and \$66,000 in FY20 in Federal Fund authorization for the Environmental Education Council and restores language to allow the use of interest received to support the operations of the Council.

Libraries and Archives - Direct Local Aid

Adds General Fund support of \$2.5 million in each fiscal year for Per Capita Grants.

Adds General Fund support of \$270,600 in each fiscal year to restore the 6.25% budget cut for the Public Libraries Facilities Construction Fund and restores language to identify \$4,329,600 in General Fund support in each fiscal year.

Office for the Blind

Adds language giving first right of refusal to the Office for the Blind for operation of food services provided in the cafeterias located in the Kentucky Transportation Cabinet office building and/or the Cabinet for Human Resources office building in Frankfort.

Office of Employment and Training (OET)

Moves language regarding real property disposal to the 2018 Revenue Bill - HB 366.

Employment and Training

Moves language regarding the service capacity upgrade fund for unemployment technology to the 2018 Revenue Bill – House Bill 366.

E. ENERGY AND ENVIRONMENT CABINET

Secretary

Restores language requiring the express authority of the General Assembly before Volkswagen trust funds are appropriated or expended.

Environmental Protection

Removes language regarding municipal solid waste landfill inspections as the referenced statute was repealed during 2017 Regular Session.

Moves language regarding Waste Tire Trust Fund fees and includes the language in the 2018 Revenue Bill - House Bill 366.

Increases Restricted Funds authority by \$3 million in FY19 and \$3,059,000 in FY20 to support Waste Tire Trust Fund programs.

Natural Resources

The Conference Committee concurred with the Governor to provide additional General Fund support of \$2.5 million in each fiscal year to reduce the use of necessary government expenses spending authority for emergency forest fire suppression.

Adds \$907,300 in General Fund (Tobacco) support in each fiscal year for direct aid to local conservation districts.

Adds \$350,000 in General Fund (Tobacco) support in each fiscal year to provide the nonfederal match for a federal conservation program.

F. FINANCE AND ADMINISTRATION CABINET

General Administration

The Conference Committee concurred with the Governor to transfer \$75 million from the permanent pension fund to the General Fund in each fiscal year to partially support employer retirement contributions.

Restores language requiring reporting of the use of the State Motor Vehicle Fleet and limiting the use of permanently assigned fleet vehicles.

Controller

Moves language regarding the Office of Procurement Services Administrative Costs to the 2018 Revenue Bill - House Bill 366.

Debt Service

Amends the General Fund (Tobacco) Debt Service Lapse language to provide clarification that the lapsed funds shall go to the General Fund.

County Costs

The Conference Committee concurred with the Governor to provide additional General Fund support of \$1 million in each fiscal year to reduce the use of necessary government expenses spending authority for the public defender program.

The Conference Committee concurred with the Governor to provide additional General Fund support of \$3 million in each fiscal year to reduce the use of necessary government expenses spending authority for the sheriffs' fees program.

Adds General Fund support of \$310,000 in each fiscal year, adjusting the monthly allowance from \$300 per month to \$200, for the sheriffs' expense allowance program.

Commonwealth Office of Technology (COT)

Transfers \$2.8 million of Restricted Funds appropriation in FY18, FY19, and FY20 from the Computer Services Fund to the General Fund with corresponding reduction of Restricted Fund appropriation in FY19 and FY20.

Restores reporting language requiring a listing of computer services fee receipts from all branches of government and a report detailing the rebate of excess fee receipts.

Department of Revenue (DOR)

Moves language regarding the Insurance Surcharge Rate to the 2018 Revenue Bill - House Bill 366.

Provides \$2 million of Restricted Funds authority in FY19 and \$4 million of Restricted Funds authority in FY20 to support grants to local economic

development agencies from the TVA Regional Development Agency Assistance Fund.

Property Valuation Administrators (PVAs)

Adds \$2,438,400 of General Fund support in FY18 to restore amounts reduced in the 18-01 General Fund Budget Reduction Order.

Adds \$8,224,900 of General Fund support in FY19 and FY20 to restore the General Fund appropriation base reduction.

Adjusts the property valuation administrators' expense allowance from \$300 per month to \$200 in the 2018-2020 biennium, reducing General Fund in an amount of \$155,000 in each fiscal year.

G. HEALTH AND FAMILY SERVICES CABINET

General Administration and Program Support

Restores language prohibiting participants in the Kentucky Works Program from participating in the Human Services Transportation Delivery Program.

Restores language directing the Cabinet to fill all federally funded positions.

Removes language authorizing the Secretary to transfer funds between appropriation units and includes the language in Part III of HB 200.

Medicaid Administration

Restores language requiring Medicaid managed care organizations to collect Medicaid expenditure data.

Removes General Fund (Tobacco) support of \$1.0 million in FY18 and \$2.5 million in each year of the biennium for Medicaid 1115 Waiver Smoking Cessation.

The Conference Committee concurred with the Governor to provide additional General Fund support of \$17.5 million in FY19 for the Kentucky HEALTH Medicaid 1115 Waiver demonstration project.

The Conference Committee concurred with the Governor to provide additional General Fund support of \$20 million in FY20 to modernize and upgrade the Medicaid information technology system.

Medicaid Benefits

Moves language regarding Medicaid copayments, Medicaid and KCHIP premiums, and cost sharing to the 2018 Revenue Bill - House Bill 366.

Adds language requiring hospitals to report uncompensated care eligible for DSH payments and require DSH payments to equal the maximum amounts established under federal law.

Restores language prohibiting hospitals from billing a patient if a DSH payment has also been made.

Restores language to prevent providers from only posting that a provider tax was paid without also notifying the public that DSH payments were also received.

Restores language requiring the Department for Medicaid Services to submit a quarterly report to the Appropriations and Revenue Committee.

Restores language requiring Medicaid MCOs to submit quarterly reports to the Department for Medicaid Services.

Restores language to prohibit an acute care hospital from converting to a critical access hospital unless the hospital receives permission from the Kentucky State Office of Rural Health.

Restores language allowing an appeal for denial of service by a Medicaid MCO.

Restores language requiring Medicaid pharmacies to provide a 72-hour emergency supply of medicine if a recipient cannot provide the necessary co-pay.

Adds \$10.5 million in General Fund support in each fiscal year and \$24.5 million in Federal Funds support in each fiscal year to increase provider reimbursements for Supports for Community Living Waiver services.

Adds \$2.5 million in General Fund support and \$6.3 million in Federal Funds support in FY20 for 118 additional long-term care slots in the Acquired Brain Injury waiver program.

Adds \$12 million in General Fund support and \$188 million in Federal Funds support in FY20 for the continuation of KCHIP services.

Includes language requiring the Department for Medicaid Services to submit a yearly report on the Medicaid prescription drug program to the Appropriations and Revenue Committee.

Includes language directing \$12 million in General Fund in FY19 to increase reimbursements for dispensing prescription medications to Medicaid managed care enrollees and provides for an increase in reimbursement rates in FY20 with cost savings realized in the Medicaid pharmacy program.

Behavioral Health, Developmental and Intellectual Disabilities (BHDID)

Includes language directing the CHFS to transition all qualified individuals from the ICF/ID care model to the community living model as demonstrated by the Supports for Community Living Waiver program as permitted and in compliance with federal law, provides for an enhanced reimbursement rate for individuals requiring certain levels of care who are transitioned from institutional to community care, and directs that 50% of any cost savings realized be used to increase SCL provider reimbursement rates and the remainder transferred to the Budget Reserve Trust Fund. Requires CHFS to provide a quarterly report on the transition progress to the General Assembly.

Removes \$2,244,900 in General Fund (Tobacco) support in FY18 and increases General Fund (Tobacco) support by \$13,100 in FY20 for substance abuse prevention and treatment for pregnant women.

Public Health (DPH)

Replaces General Fund (Tobacco) support of \$2.5 million in each fiscal year with General Fund support for the Pediatric Cancer Research Trust Fund for general pediatric cancer research and support of expansion of clinical trials at the University of Kentucky and University of Louisville.

Reduces General Fund (Tobacco) support for smoking cessation programs by \$1,631,200 in each year.

Restores language to prohibit the DPH from interfering with local health department reimbursement.

Removes language authorizing the Secretary of the Cabinet for Health and Family Services to declare a public health emergency.

Adds \$750,000 in General Fund support in each fiscal year for the Kentucky Poison Control Center.

Adds \$500,000 in General Fund support in each fiscal year for the Kentucky Colon Cancer Screening Program.

Family Resource Centers and Volunteer Services

Adds an additional \$4.1 million in General Fund in FY18 and \$9.7 million in each fiscal year of the biennium to restore reductions to the FRYSC program.

Income Support

Removes language prohibiting Income Support from paying for County Attorney office leases where the County Attorney or County Child Support Director has an ownership or personal interest.

Community Based Services

Removes \$7.3 million in General Fund (Tobacco) support in FY18 for early childhood development initiatives.

Reduces the General Fund appropriation for the Fostering Success Program to \$375,000 in each year and includes language requiring a report on program outcomes to the General Assembly.

Restores language to identify \$1 million in each fiscal year for Relative Placement Support Benefits including start-up costs for placing children with non-parental relatives.

Restores language to identify \$250,000 in General Fund support in each fiscal year for Domestic Violence Shelters and \$250,000 in each year for Rape Crisis Centers.

Restores \$550,000 in each fiscal year for supplemental payments for dually licensed pediatric facilities.

Restores language to identify \$10.6 million in General Fund support in each fiscal year to provide child care assistance to families at or below 160% of the federal poverty level as determined annually by HHS.

Restores language to identify \$50,000 in General Fund support in each fiscal year for family counseling and trauma remediation services.

Adds \$3.8 million in General Fund support, \$21.9 million in Restricted Funds support, and \$2.2 million in Federal Funds support in each year to increase reimbursement rates for private child caring agencies.

The Conference Committee concurred with the Governor to provide additional General Fund support of \$11.1 million in each fiscal year to provide up to a 10% increase in the base salary or wages for social workers in the department.

The Conference Committee concurred with the Governor to provide additional General Fund support of \$1.6 million in FY19 and \$3.3 million in FY20 to lift the Kinship Care moratorium.

The Conference Committee concurred with the Governor to provide additional General Fund support of \$11.3 million in FY19 and \$11.6 million in FY20 to support placement of foster children with relatives.

The Conference Committee concurred with the Governor to provide additional General Fund support of \$14 million in FY19 and \$14.1 million in FY20 for additional social workers and to upgrade technology for social workers.

Aging and Independent Living

The Conference Committee concurred with the Governor to provide additional General Fund support of \$1.6 million in each fiscal year for additional caseworkers for the Guardianship program.

Health Benefit and Information Exchange

Amends language directing the transfer of excess Restricted Funds from the Kentucky Access Assessments Fund in each fiscal year to the Department for Medicaid Services.

Moves language regarding assessment on insurers to the 2018 Revenue Bill - HB 366.

H. JUSTICE AND PUBLIC SAFETY CABINET

Justice Administration

Replaces \$1.5 million in General Fund support from the Local Government Economic Development Fund with \$1.5 million in Purdue Pharma settlement funds to support the Operation UNITE Program.

Removes \$13.9 million in FY18, and reduces \$2.9 million in FY19, and \$2.6 million in FY20 in General Fund (Tobacco) support for the Office of Drug Control Policy to support opioid prevention, treatment, and recovery initiatives.

Adds General Fund support of \$639,800 in each fiscal year for the Access to Justice Program.

Restores language identifying \$1.4 million in General Fund support for Court Appointed Special Advocate programs.

The Conference Committee concurred with the Governor to provide additional Federal Fund support of \$30.3 million in FY19 and \$55.3 million in FY20 to support victims of crime programs.

Criminal Justice Training

Amends language regarding the expansion of the training incentive stipend to other peace officers as it pertains to the issuance of stipends to eligible officers and associated fringe benefits to employers.

Adds language for an administrative expense reimbursement for eligible local units of government of 7.65 percent of the total annual supplement received greater than \$3,100 for each qualified local officer.

Amends language regarding authorization for KLEFP Fund transfers to KSP for laboratory updates capital project and the purchase of vehicles, and the purchase of sick leave service credit and pension spiking costs. Mandates that unexpended amounts be transferred back to the KLEFP Fund.

Removes debt service of \$47,000 in FY19 and \$898,000 in FY20, funds transfer from the KLEFP Fund, and General Fund bond authority for the Department of Criminal Justice Training to build a \$20 million indoor shooting range.

Removes language authorizing the transfer of funds from the KLEFP Fund to the Department of Justice Administration to support the Criminal Justice Council.

The Conference Committee concurred with the Governor to provide Restricted Funds support of \$2.1 million in each fiscal year to support operating facilities recently purchased by the Department from Eastern Kentucky University.

Juvenile Justice

Removes language permitting any reallocation of juvenile justice reinvestment savings.

Adds \$600,000 in FY18 and \$1.7 million in each fiscal year of the biennium in General Fund support for Day Treatment Center contracted programs.

The Conference Committee concurs with the Governor to provide \$4.8 million in General Fund support each fiscal year to hire 94 additional Youth Workers.

State Police

Adds \$6.2 million in General Fund support in each year to restore the 6.25% budget reduction recommended by the Governor.

Amends language authorizing the KSP to receive necessary government expense funding during an emergency situation.

Postpones bond authority and associated debt service of two-way radio system replacement, phase one capital project from FY19 to FY20 and makes necessary changes to reflect the appropriation of debt service (\$1.1 million in FY19 is removed and replaces the \$3.4 million in FY20).

Adds language regarding authorization for KLEFP Fund transfers to KSP for laboratory updates capital project and the purchase of vehicles and the purchase of sick leave service credit and pension spiking costs. Mandates that unexpended amounts be transferred back to the KLEFP Fund.

Adds \$1,000,000 in General Fund support in each fiscal year for KSP forensic laboratory technician salary increases.

The Conference Committee concurred with the Governor to provide Restricted Funds support of \$967,100 in FY19 for the purchase of 800 patrol rifles.

The Conference Committee concurred with the Governor to provide General Fund support of \$3.3 million in FY19 and \$872,900 in FY20 for the purchase of marked and unmarked vehicles, along with an equal amount of Restricted Funds support.

Corrections

Corrections Management

Removes language permitting the Department of Corrections to adjust appropriations between budget units to manage the state inmate population and includes language in Part III of HB 200 authorizing adjustments up to 10%.

Moves language for jailer mental health screening training to the 2018 Revenue Bill - HB 366.

Adds language authorizing the Department of Corrections to adjust custody levels as necessary to house additional Class C and D felony inmates, excluding sex offenders, in county jails, halfway houses, and reentry centers. Removes ability of full service jails to obtain waivers to not house state inmates. Prohibits the Department from entering into or expanding contracts with private prisons without authorization of the General Assembly.

Adult Correctional Institutions

Removes General Fund support of \$14.9 million in FY19 and \$22.2 million in FY20 for private prisons.

The Conference Committee concurred with the Governor to provide General Fund support of \$8.5 million in FY19 and \$12.1 million in FY20 for state inmate medical services.

The Conference Committee concurred with the Governor to provide General Fund support of \$4.4 million in FY19 and \$5.1 million in FY20 to cover overtime and travel costs related to correctional officer staffing shortages and increasing utility and contracted food services costs.

Community Services and Local Facilities

Restores language authorizing the Justice and Public Safety Cabinet and the Cabinet for Health and Family Services to coordinate the parole of infirm inmates to community providers for their care.

Restores language to require that the Office of State Budget Director supply information related to state inmate projections to the Interim Joint Committee on Appropriations and Revenue.

Restores language to require that the Office of State Budget Director supply information relating to the calculation of costs avoided as a result of previous legislative actions of the General Assembly.

The Conference Committee concurred with the Governor to provide General Fund support of \$36.4 million in FY19 and \$36.8 million in FY20 for the anticipated increase in the state inmate population housed in county jails.

The Conference Committee concurred with the Governor to provide General Fund support of \$2 million in FY19 and \$1.9 million in FY20 for 10 additional Social Service Clinician positions for the substance abuse program.

Local Jail Support

Restores the distribution of Local Corrections Assistance Funds to counties to include an equal dispersal amongst all 120 counties.

Adds \$310,000 in General Fund support for a \$200 per month expense allowance to eligible jailers.

Removes language prohibiting life safety and closed jails from receiving General Fund support from the state.

Adds \$880,000 in General Fund support in each fiscal year to provide \$20,000 annually to counties with a life safety or closed jail.

Restores language identifying General Fund support in each fiscal year for medical services to support county jails.

I. LABOR CABINET

Workplace Standards

The Conference Committee concurred with the Governor to provide additional General Fund support of \$171,500 in each fiscal year for the Apprenticeship Program.

J. PERSONNEL CABINET

General Operations

Moves language regarding the Pro Rata Assessment collections to the 2018 Revenue Bill - HB 366.

Increases General Fund transfer amounts from the Public Employee Insurance Trust Fund by \$54.5 million in each fiscal year to partially support employer retirement contributions.

K. POSTSECONDARY EDUCATION

Council on Postsecondary Education (CPE)

Restores the Science and Technology Program to CPE from the Cabinet for Economic Development with General Fund support of \$5,112,300 in each fiscal year.

Amends language to identify General Fund support of \$776,000 in each fiscal year to fully fund 44 Optometry Slots in the Contract Spaces program; requires CPE to contract 10 slots in FY19 and 15 slots in FY20 with the Kentucky College of Optometry; and requires that SREB dues shall not be paid from the General Fund resources provided for the Optometry slots.

Amends language to identify General Fund support of \$5,084,000 in each fiscal year to fully fund 164 Veterinary slots in the Contract Spaces program and requires that SREB dues shall not be paid from the General Fund resources provided for the Veterinary slots.

Adds General Fund support of \$210,000 in each fiscal year for the Southern Regional Education Board dues.

Adds language to establish a Veterinary Contract Spaces Working Group to study the effects of both the establishment of a forgivable loan program for Veterinary Contract Spaces program students and the projected return of large animal veterinary graduates to practice in Kentucky.

Adds language to establish an Optometry Contract Spaces Working Group to study the effects of both the establishment of a forgivable loan program for Optometry Contract Spaces program students and the projected return of optometry graduates to practice in Kentucky.

Restores language requiring debt issued or obligated through a non-profit corporation or county government be subject to interception of state-appropriated funds.

Adds language to identify the Kentucky Adult Education Funding Program.

Adds General Fund support of \$500,000 in each fiscal year for the Ovarian Cancer Screening Outreach Program at the University of Kentucky.

Adds General Fund (Tobacco) support of \$7 million in FY19 and \$6,686,500 in FY20 for cancer research and screening.

Kentucky Higher Education Assistance Authority (KHEAA)

Removes General Fund support from lottery proceeds in the amount of \$1.2 million in each fiscal year to support the Collaborative Center for Literacy Development.

Removes General Fund support from lottery proceeds in the amount of \$1.7 million in each fiscal year to support Advance Kentucky.

Increases General Fund support to \$71.9 million in FY19 and \$76.1 million in FY20 for the College Access Program.

Increases General Fund support to \$38.6 million in FY19 and \$40.4 million in FY20 for the Kentucky Tuition Grant Program.

The Conference Committee concurs with the Governor to provide General Fund support of \$7.4 million in each fiscal year for the Kentucky National Guard Tuition Award Program.

Reduces General Fund support to \$106.7 million in FY19 and \$107.7 million in FY20 for the Kentucky Educational Excellence Scholarship (KEES) Program.

Reduces General Fund support from lottery proceeds to \$5 million in each fiscal year for the Dual Credit Scholarship program

Reduces General Fund support from lottery proceeds to \$2.5 million in each fiscal year for the Work Ready Scholarship program.

Eastern Kentucky University (EKU)

Adds General Fund support of \$150,000 in each fiscal year for the Model Lab School at EKU.

Kentucky State University (KSU)

Adds General Fund support of \$400,000 in each fiscal year to fully meet federal matching requirements for the Land Grant Program.

Morehead State University (MoSU)

Adds language identifying General Fund support of \$2,822,400 in each fiscal year for the Craft Academy for Excellence in Science.

Murray State University (MuSU)

Adds General Fund support of \$3.2 million in each fiscal year for the Breathitt Veterinary Center.

Northern Kentucky University (NKU)

Adds General Fund support of \$1,323,900 in each fiscal year for the Kentucky Center for Mathematics.

Adds conveyance of property language to stipulate that the proceeds from the sale of real property and improvements in Covington/Park Hills be retained by NKU.

University of Kentucky (UK)

Adds General Fund support of \$3.9 million in each fiscal year for the Veterinary Diagnostic Laboratory and Division of Regulatory Services at UK.

Adds General Fund support of \$350,000 in each fiscal year for the Mining Engineering Scholarship Program.

Adds General Fund support of \$1 million in FY19 for the Robinson Scholars Program.

Adds General Fund support of \$600,000 in each fiscal year for the Center for Entrepreneurship.

Adds General Fund support in the amount of \$848,500 in FY19 and \$2,545,500 in FY20 for new debt service related to a capital project authorization of \$20 million in each fiscal year of Bond Funds for the UK HealthCare Disparities Initiative.

University of Louisville (UofL)

Adds General Fund support of \$150,000 in each fiscal year for autism training.

Western Kentucky University (WKU)

Adds General Fund support of \$750,000 in each fiscal year for Kentucky Mesonet.

Adds language identifying General Fund support of \$4,747,700 in each fiscal year for the Gatton Academy for Mathematics and Science.

Kentucky Community and Technical College System (KCTCS)

Amends language to limit total local government administrative expense reimbursements to \$250,000, related to annual firefighter training supplement costs over \$3,100 from the Firefighter Foundation Program.

Adds language authorizing Guaranteed Energy Savings Performance Contracts.

Adds General Fund support in the amount of \$1 million in each fiscal year for the Adult Agriculture Program.

Postsecondary Education Performance Fund

Adds General Fund support of \$31 million in each fiscal year for the Postsecondary Education Performance Fund.

PART II - CAPITAL PROJECTS

Eastern Kentucky University (EKU)

Adds biennial capital project support consisting of Restricted Funds of \$25.5 million, Agency Bonds of \$100 million, and Other Funds of \$58 million for EKU capital project authorizations.

Kentucky State University (KSU)

Adds biennial capital project support consisting of Agency Bonds of \$17,610,000 for KSU capital project authorizations.

Morehead State University (MoSU)

Provides biennial capital project support, consisting of Restricted Funds of \$56,684,000 and Other Funds of \$6 million for MoSU capital project authorizations.

Murray State University (MuSU)

Adds biennial capital project support consisting of Restricted Funds of \$32 million for MuSU capital project authorizations.

Northern Kentucky University (NKU)

Adds biennial capital project support consisting of Restricted Funds of \$215 million, Agency Bonds of \$21.4 million, and Other Funds of \$56.4 million for NKU capital project authorizations.

University of Kentucky (UofK)

Adds biennial capital project support consisting of Restricted Funds of \$3,141,000,000, Bond Funds of \$40 million, Agency Bonds of \$300 million, and Other Funds of \$645 million for UofK capital project authorizations.

Adds a Capital Budget project authorization, including Bond Funds of \$20 million in each fiscal year for the UK HealthCare Disparities Initiative.

University of Louisville (UofL)

Adds biennial capital project support consisting of Restricted Funds of \$430,200,000, Agency Bonds of \$103,875,000, and Other Funds of \$35,980,000 for UofL capital project authorizations.

Western Kentucky University (WKU)

Adds biennial capital project support consisting of Restricted Funds of \$151.9 million for WKU capital project authorizations.

Kentucky Community and Technical College System (KCTCS)

Adds biennial capital project support consisting of Restricted Funds of \$8 million for KCTCS capital project authorizations.

L. PUBLIC PROTECTION CABINET

Secretary

Replaces General Fund support of \$305,100 in FY19 and \$309,000 in FY20 with Restricted Funds support.

Alcoholic Beverage Control

Replaces General Fund support of \$588,800 in FY19 and \$591,900 in FY20 with Restricted Funds support.

Removes the funds transfer of \$1.5 million in Restricted Funds to the General Fund in FY20.

Housing, Buildings and Construction

Amends language regarding funding flexibility to require that any funds transferred from one program to another be returned within the fiscal biennium.

M. TOURISM, ARTS, AND HERITAGE CABINET

Secretary

Moves language regarding the Kentucky Film Office tax incentives and tax credits to the 2018 Revenue Bill - House Bill 366.

Tourism

Adds \$130,000 in General Fund support in each fiscal year for the Whitehaven Welcome Center.

Parks

Adds \$107,200 in General Fund support in each fiscal year for the Capitol Annex cafeteria.

Fish and Wildlife

Restores language to require FILO project resources to be available to all 120 counties.

Adds language to require Fish and Wildlife to provide a report of all FILO projects to the Interim Joint Committee on Tourism, Small Business, and Information Technology.

Arts Council

Moves language regarding open meetings and open records to the 2018 Revenue Bill - House Bill 366.

N. BUDGET RESERVE TRUST FUND

Adds \$25 million in each fiscal year to the Budget Reserve Trust Fund.

PART III - GENERAL PROVISIONS

Amends language to stipulate that allotments within appropriated sums for the activities and purposes contained in the Executive Budget shall conform to KRS 48.610 and may be revised pursuant to KRS 48.605 and the provisions of the Executive Budget bill.

Amends language to direct questions that arise in the interpretation of any appropriation in the Executive Budget as to the purpose or manner for which the appropriation may be expended to be decided by the Secretary of the Finance and Administration Cabinet.

Amends language regarding workers' compensation to delete the requirement that 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.

Removes premium and retaliatory taxes provision.

Amends language to direct the Executive Branch to operate within the appropriations authorized in the Executive Budget and to allow the Secretary of a Cabinet, the Commissioner of Education, and other agency heads to request a reallocation among budget units under his or her administrative authority of up to ten percent of General Fund appropriations for approval by the State Budget Director; requires the State Budget Director to report to the Interim Joint Committee on Appropriations and Revenue at least 30 days prior to the proposed transfer.

Removes adoption of budget reductions provision.

Amends language regarding a report on local school district administrative expenditures directing local school districts to reduce their administrative costs to the extent feasible in order to provide quality instruction and to require local school districts to report to the Legislative Research Commission and the Department of Education.

Amends language regarding state-funded university and Kentucky Community and Technical College system faculty employment to allow each Board of Regents or Board of Trustees to reduce the number of faculty, including tenured faculty, when the reduction is a result of the board discontinuing or modifying an academic program and requires boards to provide ten days' notice in writing to all faculty members being removed.

Amends language regarding employee layoffs, furloughs, and reduced hours to remove efficiency as a reason for layoff, furlough, or reduction of hours and provide that the action is appealable.

Removes language allowing the Cabinet for Economic Development to carry out the Science and Technology Program.

Removes language requiring employees of the Kentucky Teachers' Retirement System, except for the Executive Secretary, to be subject to the state personnel system.

Removes language stipulating that the Kentucky Film Office shall not accept any applications nor approve any eligible projects for tax incentives or tax credits during the 2018-2020 fiscal biennium.

Removes program elimination provision.

Removes provision directing any funds or assets recovered by the Attorney General in connection with a lawsuit in which he is a party or has entered his appearance on behalf of the Commonwealth to be paid directly to the Commonwealth and deposited in a trust and agency account.

Adds language stipulating that funds appropriated in the Executive Budget shall not be expended for any purpose not specifically authorized.

Adds language to provide for fiscal year 2019-2020 funds expenditure restriction.

Adds language directing the Executive Branch to carry out all appropriations and budgetary language provisions contained in the Executive Budget.

Adds language to stipulate that all authorized computer information technology projects shall submit progress reports to the Capital Projects and Bond Oversight Committee.

Adds language to provide for equipment service contracts and energy efficiency measures.

Adds language prohibiting debt restructuring transactions.

Adds language to outline the process for the effects of subsequent legislation.

Adds language to direct the permitted use of water and sewer Bond Funds.

Adds language to set out the approval process for the use of state aircraft.

PART IV - STATE SALARY/COMPENSATION, BENEFIT, AND EMPLOYMENT POLICY

Amends language regarding the authorized personnel complement to require a report to be provided to the Interim Joint Committee on Appropriations and Revenue on a monthly basis.

Moves language regarding monthly per employee health insurance benefits assessment to the 2018 Revenue Bill - HB 366.

Amends language regarding health care spending accounts to require a monthly reimbursement to a health flexible spending account of no less than \$175 to each employee that waives coverage.

Adds language requiring a monthly turnover savings report be submitted to the Interim Joint Committee on Appropriations and Revenue.

PART VI - GENERAL FUND BUDGET REDUCTION PLAN

Amends the plan to require that a budget revision shall not be taken in excess of the actual or projected revenue shortfall.

Amends the plan to include Constitutional Officers to direct and implement reductions in their respective budget units.

Amends the plan to prohibit transfers from the Local Government Economic Assistance and Local Government Economic Development Funds; unexpended debt service from Tobacco Settlement - Phase I funds; Multi-County Coal Severance Fund; the Kentucky Permanent Pension Fund; and unanticipated Tobacco Settlement - Phase I funds.

Amends the plan to require the use of unexpended debt service.

Amends the plan to prohibit language provisions that express legislative intent from being reduced by a greater percentage than the reduction to the General Fund appropriation for that budget unit.

Amends the plan to prohibit reductions to the Constitutional Officers, Commonwealth's Attorneys, or County Attorneys but allows the Governor to ask for their participation at the same level.

Amends the plan to restrict the use of the Budget Reserve Trust Fund to no more than 25% of the balance in FY19 and no more than 50% of the balance in FY20.

PART VII - GENERAL FUND SURPLUS EXPENDITURE PLAN

Amends the plan to appropriate any surplus from FY18 to the Kentucky Retirement Systems in FY19 to be applied to the unfunded pension liability of the KERS nonhazardous pension fund.

Amends the plan to appropriate up to \$70 million of the surplus from FY19 to the Teachers' Retirement System in FY20 to be applied to the Medical Insurance Fund and any remaining surplus to be appropriated to the Kentucky Retirement Systems to be applied to the unfunded pension liability of the KERS nonhazardous pension fund.

LRC Staff

Date