C - Economic Development Cabinet

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SENATE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

C - Economic Development Cabinet — Operating Budget

Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	50,950,600	50,950,600		26,057,600	23,884,700	(2,172,900)	28,496,400	26,309,800	(2,186,600)
Restricted Funds	3,971,400	3,971,400		3,255,600	3,255,600		3,292,500	3,292,500	
Federal Funds	155,400	155,400		199,900	199,900		204,300	204,300	
Regular Total Funds	**55,077,400**	**55,077,400**		**29,513,100**	**27,340,200**	**(2,172,900)**	**31,993,200**	**29,806,600**	**(2,186,600)**
Use of Continuing	10,376,200	10,376,200							
TOTAL FUNDS	**65,453,600**	**65,453,600**		**29,513,100**	**27,340,200**	**(2,172,900)**	**31,993,200**	**29,806,600**	**(2,186,600)**
II. EXPENDITURE CATEGORY									
Personnel Costs	12,133,000	12,133,000		11,583,900	11,403,300	(180,600)	11,841,000	11,646,700	(194,300)
Operating Expenses	1,587,500	1,587,500		1,562,800	1,562,800		1,575,600	1,575,600	
Grants, Loans, Benefits	44,572,600	44,572,600		16,366,400	14,374,100	(1,992,300)	16,366,600	14,374,300	(1,992,300)
Debt Service	7,160,500	7,160,500					2,210,000	2,210,000	
TOTAL EXPENDITURES	**65,453,600**	**65,453,600**		**29,513,100**	**27,340,200**	**(2,172,900)**	**31,993,200**	**29,806,600**	**(2,186,600)**
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	50,950,600	50,950,600		23,884,700	23,884,700		24,099,800	24,099,800	
Restricted Funds	3,971,400	3,971,400		3,255,600	3,255,600		3,292,500	3,292,500	
Federal Funds	155,400	155,400		199,900	199,900		204,300	204,300	
Regular Total Funds	**55,077,400**	**55,077,400**		**27,340,200**	**27,340,200**		**27,596,600**	**27,596,600**	
Use of Continuing	10,376,200	10,376,200							
TOTAL BASE LEVEL	**65,453,600**	**65,453,600**		**27,340,200**	**27,340,200**		**27,596,600**	**27,596,600**	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				2,172,900		(2,172,900)	4,396,600	2,210,000	(2,186,600)
TOTAL ADDITIONAL				**2,172,900**		**(2,172,900)**	**4,396,600**	**2,210,000**	**(2,186,600)**

C - Economic Development Cabinet — Capital Budget

Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds				50,000,000	50,000,000				
Investment Income				1,100,000		(1,100,000)			
TOTAL CAPITAL				**51,100,000**	**50,000,000**	**(1,100,000)**			

C - Economic Development Cabinet — Operating Budget

Secretary

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	20,010,100	20,010,100		16,024,900	16,024,900		16,140,400	16,140,400	
Restricted Funds	1,211,300	1,211,300		1,211,300	1,211,300		1,211,300	1,211,300	
Regular Total Funds	**21,221,400**	**21,221,400**		**17,236,200**	**17,236,200**		**17,351,700**	**17,351,700**	
Use of Continuing									
TOTAL FUNDS	**21,221,400**	**21,221,400**		**17,236,200**	**17,236,200**		**17,351,700**	**17,351,700**	
II. EXPENDITURE CATEGORY									
Personnel Costs	5,247,100	5,247,100		5,085,800	5,085,800		5,188,300	5,188,300	
Operating Expenses	722,500	722,500		694,300	694,300		707,100	707,100	
Grants, Loans, Benefits	14,225,800	14,225,800		11,456,100	11,456,100		11,456,300	11,456,300	
Debt Service	1,026,000	1,026,000							
TOTAL EXPENDITURES	**21,221,400**	**21,221,400**		**17,236,200**	**17,236,200**		**17,351,700**	**17,351,700**	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	20,010,100	20,010,100		16,024,900	16,024,900		16,140,400	16,140,400	
Restricted Funds	1,211,300	1,211,300		1,211,300	1,211,300		1,211,300	1,211,300	
Regular Total Funds	**21,221,400**	**21,221,400**		**17,236,200**	**17,236,200**		**17,351,700**	**17,351,700**	
Use of Continuing									
TOTAL BASE LEVEL	**21,221,400**	**21,221,400**		**17,236,200**	**17,236,200**		**17,351,700**	**17,351,700**	

SECRETARY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by $67,262,416 and Restricted Fund appropriations by $8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of $174,143,584 in fiscal year 2007-2008, $2,500,000 in fiscal year 2008-2009 and $2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that direct:

"Funding for Commercialization and Innovation: Notwithstanding Subchapter 20 of KRS Chapter 154, 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 Department for Commercialization and Innovation and are appropriated in addition to amounts appropriated above."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget includes language provisions as follows:

"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."

"Use of New Economy Funds: Notwithstanding 2006 Ky. Acts ch. 252, Part II, C., the $20,000,000 in the New Economy High-Tech Construction/Investment Pool is available for projects and loans approved by the Kentucky Economic Development Finance Authority under the terms and conditions of KRS 154.12-100 as well as for projects in the High-Tech Construction Pool and the High-Tech Investment Pool in KRS 154.12-278."

SECRETARY

HOUSE REPORT

The House concurs with the Branch with the following change:

The House adds Part I, language provision as follows:

"Louisville Waterfront Development Corporation: Included in the above General Fund appropriation is $512,800 in fiscal year 2008-2009 and $527,400 in fiscal year 2009-2010 for the Louisville Waterfront Development Corporation."

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Louisville Waterfront Development Corporation: Included in the above General Fund appropriation is $512,800 in fiscal year 2008-2009 and $527,400 in fiscal year 2009-2010 for the Louisville Waterfront Development Corporation."

The Senate amends the State/Executive Branch Budget Bill, Part II, Capital Budget, by deleting the following language:

"Use of New Economy Funds: Notwithstanding 2006 Ky. Acts ch. 252, Part II, C., the $20,000,000 in the New Economy High-Tech Construction/Investment Pool is available for projects and loans approved by the Kentucky Economic Development Finance Authority under the terms and conditions of KRS 154.12-100 as well as for projects in the High-Tech Construction Pool and the High-Tech Investment Pool in KRS 154.12-278."

The Senate does not provide Investment Income support for the Parking Garage Maintenance Pool in Part II, Capital Budget.

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SENATE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

C - Economic Development Cabinet — Capital Budget

Secretary

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Investment Income				1,100,000		(1,100,000)			
TOTAL CAPITAL				**1,100,000**		**(1,100,000)**			
II. CAPITAL PROJECTS									
1 Parking Garage Maintenance Pool									
PRJ635M5000									
Investment Income				1,100,000		(1,100,000)			
Project Total				**1,100,000**		**(1,100,000)**			
TOTAL CAPITAL				**1,100,000**		**(1,100,000)**			

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C - Economic Development Cabinet — Operating Budget

New Business Development

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	1,252,400	1,252,400		1,502,400	1,321,800	(180,600)	1,524,600	1,330,300	(194,300)
Restricted Funds	747,000	747,000		300,000	300,000		300,000	300,000	
Regular Total Funds	**1,999,400**	**1,999,400**		**1,802,400**	**1,621,800**	**(180,600)**	**1,824,600**	**1,630,300**	**(194,300)**
Use of Continuing									
TOTAL FUNDS	**1,999,400**	**1,999,400**		**1,802,400**	**1,621,800**	**(180,600)**	**1,824,600**	**1,630,300**	**(194,300)**
II. EXPENDITURE CATEGORY									
Personnel Costs	1,590,800	1,590,800		1,371,500	1,190,900	(180,600)	1,393,700	1,199,400	(194,300)
Operating Expenses	408,600	408,600		430,900	430,900		430,900	430,900	
TOTAL EXPENDITURES	**1,999,400**	**1,999,400**		**1,802,400**	**1,621,800**	**(180,600)**	**1,824,600**	**1,630,300**	**(194,300)**
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	1,252,400	1,252,400		1,321,800	1,321,800		1,330,300	1,330,300	
Restricted Funds	747,000	747,000		300,000	300,000		300,000	300,000	
Regular Total Funds	**1,999,400**	**1,999,400**		**1,621,800**	**1,621,800**		**1,630,300**	**1,630,300**	
Use of Continuing									
TOTAL BASE LEVEL	**1,999,400**	**1,999,400**		**1,621,800**	**1,621,800**		**1,630,300**	**1,630,300**	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				180,600		(180,600)	194,300		(194,300)
TOTAL ADDITIONAL				**180,600**		**(180,600)**	**194,300**		**(194,300)**
V. ADDITIONAL BUDGET ITEMS									
1 GB Vacant Positions									
ABR637F0001 Provides funds for the Commissioner position in the Department for New Business Development. S: Removes funding for the position.									
General Fund				180,600		(180,600)	194,300		(194,300)
Project Total				**180,600**		**(180,600)**	**194,300**		**(194,300)**
TOTAL ADDITIONAL				**180,600**		**(180,600)**	**194,300**		**(194,300)**

NEW BUSINESS DEVELOPMENT

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by $67,262,416 and Restricted Fund appropriations by $8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of $174,143,584 in fiscal year 2007-2008, $2,500,000 in fiscal year 2008-2009 and $2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

HOUSE REPORT

The House concurs with the Branch.

SENATE REPORT

The Senate concurs with the House with the following change:

The Senate reduces in Part I, Operating Budget, General Fund support totaling $180,600 in fiscal year 2008-2009 and $194,300 in fiscal year 2009-2010.

C - Economic Development Cabinet — Operating Budget

Financial Incentives

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	26,396,300	26,396,300		5,186,400	3,194,100	(1,992,300)	7,410,500	5,418,200	(1,992,300)
Restricted Funds	1,803,100	1,803,100		1,744,300	1,744,300		1,781,200	1,781,200	
Regular Total Funds	**28,199,400**	**28,199,400**		**6,930,700**	**4,938,400**	**(1,992,300)**	**9,191,700**	**7,199,400**	**(1,992,300)**
Use of Continuing	10,376,200	10,376,200							
TOTAL FUNDS	**38,575,600**	**38,575,600**		**6,930,700**	**4,938,400**	**(1,992,300)**	**9,191,700**	**7,199,400**	**(1,992,300)**
II. EXPENDITURE CATEGORY									
Personnel Costs	1,976,900	1,976,900		1,908,900	1,908,900		1,959,900	1,959,900	
Operating Expenses	117,400	117,400		111,500	111,500		111,500	111,500	
Grants, Loans, Benefits	30,346,800	30,346,800		4,910,300	2,918,000	(1,992,300)	4,910,300	2,918,000	(1,992,300)
Debt Service	6,134,500	6,134,500					2,210,000	2,210,000	
TOTAL EXPENDITURES	**38,575,600**	**38,575,600**		**6,930,700**	**4,938,400**	**(1,992,300)**	**9,191,700**	**7,199,400**	**(1,992,300)**
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	26,396,300	26,396,300		3,194,100	3,194,100		3,208,200	3,208,200	
Restricted Funds	1,803,100	1,803,100		1,744,300	1,744,300		1,781,200	1,781,200	
Regular Total Funds	**28,199,400**	**28,199,400**		**4,938,400**	**4,938,400**		**4,989,400**	**4,989,400**	
Use of Continuing	10,376,200	10,376,200							
TOTAL BASE LEVEL	**38,575,600**	**38,575,600**		**4,938,400**	**4,938,400**		**4,989,400**	**4,989,400**	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				1,992,300		(1,992,300)	4,202,300	2,210,000	(1,992,300)
TOTAL ADDITIONAL				**1,992,300**		**(1,992,300)**	**4,202,300**	**2,210,000**	**(1,992,300)**
V. ADDITIONAL BUDGET ITEMS									
1 NEW Metropolitan College Program									
ABR638G0002 Provides funds to support the Metropolitan Scholar Program.									
General Fund				1,992,300		(1,992,300)	1,992,300		(1,992,300)
Project Total				**1,992,300**		**(1,992,300)**	**1,992,300**		**(1,992,300)**
2 N/A Debt Service									
ABR638G0009 Provides support for $50 million in Economic Development Bonds.									
General Fund							2,210,000	2,210,000	
Project Total							**2,210,000**	**2,210,000**	

Financial Incentives

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
TOTAL ADDITIONAL				**1,992,300**		**(1,992,300)**	**4,202,300**	**2,210,000**	**(1,992,300)**
TRANSFERS TO THE GENERAL FUND									
Financial Incentives									
Kentucky Economic Development Finance Authority (KRS 154.20-010 to 154.20-150 and 154.20-520)				23,000,000	23,000,000				
Other Special Revenue Fund	1,197,000	1,197,000		1,200,000	1,200,000		1,200,000	1,200,000	
Balances remaining in the Special Revenue Fund accounts after all appropriations authorized in this bill shall lapse to the General Fund Surplus Account at the end of each fiscal year, except for funds held in escrow for payments of consultant fees.									
TOTAL	**1,197,000**	**1,197,000**		**24,200,000**	**24,200,000**		**1,200,000**	**1,200,000**	

FINANCIAL INCENTIVES

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by $67,262,416 and Restricted Fund appropriations by $8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of $174,143,584 in fiscal year 2007-2008, $2,500,000 in fiscal year 2008-2009 and $2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Operations and Support Services, Restricted Funds of $150,000 in fiscal year 2007-2008, $75,000 in fiscal year 2008-2009 and $50,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Debt Service: Included in the above General Fund appropriation is $2,210,000 in fiscal year 2009-2010 for debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

"Carry Forward of General Fund Appropriation Balance for Bluegrass State Skills Corporation: Notwithstanding KRS 45.229, the General Fund appropriation balance for training grants for fiscal year 2008-2009 and for fiscal year 2009-2010 for the Bluegrass State Skills Corporation shall not lapse and shall carry forward."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House adds Part I, language provision as follows:

"Metropolitan College: Included in the above General Fund appropriation is $1,992,300 in each fiscal year for the Metropolitan College program where participants attend the University of Louisville or Jefferson Community and Technical College."

FINANCIAL INCENTIVES
The House adds Part II, language provision as follows:

"Economic Development Bonds: Included in the above Economic Development Bonds is $1,889,500 in fiscal year 2009-2010 for the Hardin County Board of Education for renovation and construction projects identified in the local district facilities plan approved by the Kentucky Department of Education. Prior to the disbursement of these funds, the Hardin County Board of Education must levy an additional five cent equivalent tax rate under the provisions of KRS 157.621 that is dedicated to facilities renovation and construction. The Commissioner of Education must certify that the projected increase in students is a result of the Base Realignment and Closure (BRAC) 2005 issued by the United States Department of Defense pursuant to the Defense Base Closure and Realignment Act of 1990, Pub. L. No. 100-526, Part A of Title XXIX of 104 Stat.1808, 10 U.S.C. sec. 2687 note."

"Economic Development Bonds: Included in the above Economic Development Bonds is $7,000,000 in fiscal year 2009-2010 for the Hardin County Board of Education.

"Economic Development Bonds: Included in the above Economic Development Bonds is $1,700,000 in fiscal year 2009-2010 for the Pirtle Springs Water Treatment Plant Reconstruction project.

"Economic Development Bonds: Included in the above Economic Development Bonds is $850,000 in fiscal year 2009-2010 for the Hardin County Water District #2 Phase V, 31W Loop Connection project.

"Economic Development Bonds: Included in the above Economic Development Bonds is $2,000,000 in fiscal year 2009-2010 for the Hardin County Water District #2 - Springfield Water Storage Tank project.

"Economic Development Bonds: Included in the above Economic Development Bonds is $2,500,000 in fiscal year 2009-2010 for the City of Muldraugh Wastewater Collection Rehabilitation project.

"Economic Development Bonds: Included in the above Economic Development Bonds is $10,000,000 in fiscal year 2009-2010 for the Hardin County Water District #2 Sewer Collection System project.

"Economic Development Bonds: Included in the above Economic Development Bonds is $17,600,000 in fiscal year 2009-2010 for the City of Elizabethtown - Valley Creek WWTP Expansion project.

"Economic Development Bonds: Included in the above Economic Development Bonds is $1,500,000 in fiscal year 2009-2010 for

FINANCIAL INCENTIVES
the City of Radcliff - Infiltration & Inflow project.

"Economic Development Bonds: Included in the above Economic Development Bonds is $2,300,000 in fiscal year 2009-2010 for the City of Radcliff - Wastewater Pump Station Upgrades project.

"Economic Development Bonds: Included in the above Economic Development Bonds is $1,550,000 in fiscal year 2009-2010 for the Meade County Board of Education.

SENATE REPORT
The Senate concurs with the House with the following changes:

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Metropolitan College: Included in the above General Fund appropriation is $1,992,300 in each fiscal year for the Metropolitan College program where participants attend the University of Louisville or Jefferson Community and Technical College."

The Senate amends the State/Executive Branch Budget Bill, Part II, Capital Budget, by deleting the following language:

"Economic Development Bonds: Included in the above Economic Development Bonds is $7,000,000 in fiscal year 2009-2010 for the Hardin County Board of Education.

"Economic Development Bonds: Included in the above Economic Development Bonds is $1,700,000 in fiscal year 2009-2010 for the Pirtle Springs Water Treatment Plant Reconstruction project.

"Economic Development Bonds: Included in the above Economic Development Bonds is $850,000 in fiscal year 2009-2010 for the Hardin County Water District #2 Phase V, 31W Loop Connection project.

"Economic Development Bonds: Included in the above Economic Development Bonds is $2,000,000 in fiscal year 2009-2010 for the Hardin County Water District #2 - Springfield Water Storage Tank project.

"Economic Development Bonds: Included in the above Economic Development Bonds is $2,500,000 in fiscal year 2009-2010 for the City of Muldraugh Wastewater Collection Rehabilitation project.

FINANCIAL INCENTIVES

"Economic Development Bonds: Included in the above Economic Development Bonds is $10,000,000 in fiscal year 2009-2010 for the Hardin County Water District #2 Sewer Collection System project.

"Economic Development Bonds: Included in the above Economic Development Bonds is $17,600,000 in fiscal year 2009-2010 for the City of Elizabethtown - Valley Creek WWTP Expansion project.

"Economic Development Bonds: Included in the above Economic Development Bonds is $1,500,000 in fiscal year 2009-2010 for the City of Radcliff - Infiltration & Inflow project.

"Economic Development Bonds: Included in the above Economic Development Bonds is $2,300,000 in fiscal year 2009-2010 for the City of Radcliff - Wastewater Pump Station Upgrades project.

"Economic Development Bonds: Included in the above Economic Development Bonds is $1,550,000 in fiscal year 2009-2010 for the Meade County Board of Education.

The Senate amends the State/Executive Branch Budget Bill, Part V, Funds Transfer, by adding the following language:

"Other Special Revenue Fund: Balances remaining in the Special Revenue Fund accounts after all appropriations authorized in this bill shall lapse to the General Fund Surplus Account at the end of each fiscal year, except for funds held in escrow for payments of consultant fees."

C - Economic Development Cabinet — Capital Budget

Financial Incentives

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds				50,000,000	50,000,000				
TOTAL CAPITAL				**50,000,000**	**50,000,000**				
II. CAPITAL PROJECTS									
1 Economic Development Bonds									
PRJ638G5000									
Bond Funds				50,000,000	50,000,000				
Project Total				**50,000,000**	**50,000,000**				
2 Economic Development Bond Pool - 2004-2006 Reauthorization ($12,324,500 Bond Funds)									
PRJ638G1375									
Bond Funds									
Project Total									
TOTAL CAPITAL				**50,000,000**	**50,000,000**				

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C - Economic Development Cabinet — Operating Budget

Existing Business Development

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	3,291,800	3,291,800		3,343,900	3,343,900		3,420,900	3,420,900	
Restricted Funds	210,000	210,000							
Federal Funds	155,400	155,400		199,900	199,900		204,300	204,300	
Regular Total Funds	**3,657,200**	**3,657,200**		**3,543,800**	**3,543,800**		**3,625,200**	**3,625,200**	
Use of Continuing									
TOTAL FUNDS	**3,657,200**	**3,657,200**		**3,543,800**	**3,543,800**		**3,625,200**	**3,625,200**	
II. EXPENDITURE CATEGORY									
Personnel Costs	3,318,200	3,318,200		3,217,700	3,217,700		3,299,100	3,299,100	
Operating Expenses	339,000	339,000		326,100	326,100		326,100	326,100	
TOTAL EXPENDITURES	**3,657,200**	**3,657,200**		**3,543,800**	**3,543,800**		**3,625,200**	**3,625,200**	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	3,291,800	3,291,800		3,343,900	3,343,900		3,420,900	3,420,900	
Restricted Funds	210,000	210,000							
Federal Funds	155,400	155,400		199,900	199,900		204,300	204,300	
Regular Total Funds	**3,657,200**	**3,657,200**		**3,543,800**	**3,543,800**		**3,625,200**	**3,625,200**	
Use of Continuing									
TOTAL BASE LEVEL	**3,657,200**	**3,657,200**		**3,543,800**	**3,543,800**		**3,625,200**	**3,625,200**	
TRANSFERS TO THE GENERAL FUND									
Existing Business Development									
Agency Revenue Fund	10,800	10,800							
TOTAL	**10,800**	**10,800**							

EXISTING BUSINESS DEVELOPMENT

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by $67,262,416 and Restricted Fund appropriations by $8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of $174,143,584 in fiscal year 2007-2008, $2,500,000 in fiscal year 2008-2009 and $2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Existing Business Development, Restricted Funds of $10,800 in fiscal year 2007-2008.

HOUSE REPORT

The House concurs with the Branch.

SENATE REPORT

The Senate concurs with the House.