H - Health and Family Services Cabinet

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SENATE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

H - Health and Family Services 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 (Tobacco)	29,255,400	29,255,400		30,121,700	30,121,700		30,641,600	30,641,600	
General Fund	1,897,275,600	1,897,275,600		1,943,709,500	1,923,736,800	(19,972,700)	2,045,366,300	2,023,989,500	(21,376,800)
Restricted Funds	876,077,800	876,077,800		874,258,700	874,358,700	100,000	858,319,600	858,419,600	100,000
Federal Funds	4,320,629,000	4,320,629,000		4,459,493,200	4,456,748,400	(2,744,800)	4,650,745,700	4,647,901,200	(2,844,500)
Regular Total Funds	**7,123,237,800**	**7,123,237,800**		**7,307,583,100**	**7,284,965,600**	**(22,617,500)**	**7,585,073,200**	**7,560,951,900**	**(24,121,300)**
Use of Continuing	6,435,100	6,435,100							
TOTAL FUNDS	**7,129,672,900**	**7,129,672,900**		**7,307,583,100**	**7,284,965,600**	**(22,617,500)**	**7,585,073,200**	**7,560,951,900**	**(24,121,300)**
II. EXPENDITURE CATEGORY									
Personnel Costs	598,529,300	598,529,300		598,403,000	590,275,200	(8,127,800)	611,215,800	602,840,400	(8,375,400)
Operating Expenses	115,712,600	115,712,600		115,682,900	115,282,900	(400,000)	114,909,100	114,509,100	(400,000)
Grants, Loans, Benefits	6,414,145,000	6,414,145,000		6,592,983,200	6,579,293,500	(13,689,700)	6,856,356,300	6,843,260,400	(13,095,900)
Debt Service	1,172,000	1,172,000					2,478,000	228,000	(2,250,000)
Capital Outlay	114,000	114,000		514,000	114,000	(400,000)	114,000	114,000	
TOTAL EXPENDITURES	**7,129,672,900**	**7,129,672,900**		**7,307,583,100**	**7,284,965,600**	**(22,617,500)**	**7,585,073,200**	**7,560,951,900**	**(24,121,300)**
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund (Tobacco)	29,255,400	29,255,400		30,121,700	30,121,700		30,641,600	30,641,600	
General Fund	1,780,866,000	1,780,866,000		1,776,260,300	1,770,367,000	(5,893,300)	1,784,709,400	1,776,167,800	(8,541,600)
Restricted Funds	870,256,100	870,256,100		870,158,700	870,158,700		854,096,600	854,096,600	
Federal Funds	4,135,173,700	4,135,173,700		4,098,145,800	4,098,145,800		4,065,346,900	4,065,346,900	
Regular Total Funds	**6,815,551,200**	**6,815,551,200**		**6,774,686,500**	**6,768,793,200**	**(5,893,300)**	**6,734,794,500**	**6,726,252,900**	**(8,541,600)**
Use of Continuing	6,435,100	6,435,100							
TOTAL BASE LEVEL	**6,821,986,300**	**6,821,986,300**		**6,774,686,500**	**6,768,793,200**	**(5,893,300)**	**6,734,794,500**	**6,726,252,900**	**(8,541,600)**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund	116,409,600	116,409,600		167,449,200	153,369,800	(14,079,400)	260,656,900	247,821,700	(12,835,200)
Restricted Funds	5,821,700	5,821,700		4,100,000	4,200,000	100,000	4,223,000	4,323,000	100,000
Federal Funds	185,455,300	185,455,300		361,347,400	358,602,600	(2,744,800)	585,398,800	582,554,300	(2,844,500)
TOTAL ADDITIONAL	**307,686,600**	**307,686,600**		**532,896,600**	**516,172,400**	**(16,724,200)**	**850,278,700**	**834,699,000**	**(15,579,700)**

SENATE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

H - Health and Family Services 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				44,000,000	4,000,000	(40,000,000)			
Other Funds				129,005,000	139,405,000	10,400,000			
TOTAL CAPITAL				**173,005,000**	**143,405,000**	**(29,600,000)**			

H - Health and Family Services Cabinet — Operating Budget

General Administration and Program Support

	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 (Tobacco)	2,740,000	2,740,000		2,793,000	2,793,000		2,840,300	2,840,300	
General Fund	35,282,000	35,282,000		35,301,700	33,076,700	(2,225,000)	36,812,100	34,459,100	(2,353,000)
Restricted Funds	11,027,900	11,027,900		10,311,100	10,311,100		10,311,100	10,311,100	
Federal Funds	39,287,600	39,287,600		37,948,700	37,948,700		38,330,500	38,330,500	
Regular Total Funds	**88,337,500**	**88,337,500**		**86,354,500**	**84,129,500**	**(2,225,000)**	**88,294,000**	**85,941,000**	**(2,353,000)**
Use of Continuing	1,233,000	1,233,000							
TOTAL FUNDS	**89,570,500**	**89,570,500**		**86,354,500**	**84,129,500**	**(2,225,000)**	**88,294,000**	**85,941,000**	**(2,353,000)**
II. EXPENDITURE CATEGORY									
Personnel Costs	56,353,300	56,353,300		53,385,200	51,160,200	(2,225,000)	54,999,500	52,774,500	(2,225,000)
Operating Expenses	28,972,200	28,972,200		29,799,400	29,799,400		29,812,300	29,812,300	
Grants, Loans, Benefits	4,025,000	4,025,000		3,169,900	3,169,900		3,217,200	3,217,200	
Debt Service	220,000	220,000					265,000	137,000	(128,000)
TOTAL EXPENDITURES	**89,570,500**	**89,570,500**		**86,354,500**	**84,129,500**	**(2,225,000)**	**88,294,000**	**85,941,000**	**(2,353,000)**
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund (Tobacco)	2,740,000	2,740,000		2,793,000	2,793,000		2,840,300	2,840,300	
General Fund	35,282,000	35,282,000		35,301,700	33,076,700	(2,225,000)	36,812,100	34,459,100	(2,353,000)
Restricted Funds	11,027,900	11,027,900		10,311,100	10,311,100		10,311,100	10,311,100	
Federal Funds	39,287,600	39,287,600		37,948,700	37,948,700		38,330,500	38,330,500	
Regular Total Funds	**88,337,500**	**88,337,500**		**86,354,500**	**84,129,500**	**(2,225,000)**	**88,294,000**	**85,941,000**	**(2,353,000)**
Use of Continuing	1,233,000	1,233,000							
TOTAL BASE LEVEL	**89,570,500**	**89,570,500**		**86,354,500**	**84,129,500**	**(2,225,000)**	**88,294,000**	**85,941,000**	**(2,353,000)**
TRANSFERS TO THE GENERAL FUND									
General Administration and Program Support									
Malt Beverage Education Fund				450,000	450,000		450,000	450,000	
TOTAL				**450,000**	**450,000**		**450,000**	**450,000**	

GENERAL ADMINISTRATION AND PROGRAM SUPPORT

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium 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 $65,262,416 and Restricted Funds appropriations by $8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of $42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium 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 salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from General Administration and Program Support, Malt Beverage Education Fund, Restricted Funds of $450,000 in fiscal year 2008-2009, and $450,000 in fiscal year 2009-2010.

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

"**Maximizing Federal Funds:** Pursuant to compliance with the State/Executive Branch Budget Bill and the Statutory Budget Memorandum, the Cabinet for Health and Family Services shall maximize Federal Funds for programs within the Cabinet."

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

"**Debt Service:** Included in the above General Fund appropriation is $265,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House provides $2,225,000 in General Fund support in each fiscal year to restore the Branch budget reduction and continue

GENERAL ADMINISTRATION AND PROGRAM SUPPORT
current services.

The House adds a Part I, Operating Budget, language provision as follows:

"**Federally Funded Positions:** Notwithstanding KRS 18A.010(2) and any provisions of this Act to the contrary, direct service units of the Office of Inspector General, Department for Human Support Services, Commission for Children with Special Health Care Needs, Department for Disability Determination Services, Department for Community Based Services, Department for Medicaid Services, Department for Mental Health and Mental Retardation Services, and the Department for Public Health shall be authorized to establish and fill such positions as are 100 percent federally funded for salary and fringe benefits."

SENATE REPORT
The Senate concurs with the Branch with the following change:

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

"**Federally Funded Positions:** Notwithstanding KRS 18A.010(2) and any provisions of this Act to the contrary, direct service units of the Office of Inspector General, Department for Human Support Services, Commission for Children with Special Health Care Needs, Department for Disability Determination Services, Department for Community Based Services, Department for Medicaid Services, Department for Mental Health and Mental Retardation Services, and the Department for Public Health shall be authorized to establish and fill such positions as are 100 percent federally funded for salary and fringe benefits."

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H - Health and Family Services Cabinet — Capital Budget

General Administration and Program Support

	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				4,000,000	2,000,000	(2,000,000)			
TOTAL CAPITAL				**4,000,000**	**2,000,000**	**(2,000,000)**			
II. CAPITAL PROJECTS									
1 Maintenance Pool - 2008-2010									
PRJ721A2326									
Bond Funds				4,000,000	2,000,000	(2,000,000)			
Project Total				**4,000,000**	**2,000,000**	**(2,000,000)**			
TOTAL CAPITAL				**4,000,000**	**2,000,000**	**(2,000,000)**			

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H - Health and Family Services Cabinet — Operating Budget

Commission for Children with Special Health Care Needs

	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 (Tobacco)	352,000	352,000		352,000	352,000		352,000	352,000	
General Fund	5,864,300	5,864,300		5,969,000	5,619,000	(350,000)	6,288,400	5,938,400	(350,000)
Restricted Funds	6,545,800	6,545,800		6,204,900	6,304,900	100,000	6,204,900	6,304,900	100,000
Federal Funds	4,303,700	4,303,700		4,178,700	4,178,700		4,178,700	4,178,700	
Regular Total Funds	**17,065,800**	**17,065,800**		**16,704,600**	**16,454,600**	**(250,000)**	**17,024,000**	**16,774,000**	**(250,000)**
Use of Continuing									
TOTAL FUNDS	**17,065,800**	**17,065,800**		**16,704,600**	**16,454,600**	**(250,000)**	**17,024,000**	**16,774,000**	**(250,000)**
II. EXPENDITURE CATEGORY									
Personnel Costs	10,267,900	10,267,900		10,950,800	10,600,800	(350,000)	11,269,400	10,919,400	(350,000)
Operating Expenses	1,566,500	1,566,500		1,511,400	1,511,400		1,512,200	1,512,200	
Grants, Loans, Benefits	5,231,400	5,231,400		4,242,400	4,342,400	100,000	4,242,400	4,342,400	100,000
TOTAL EXPENDITURES	**17,065,800**	**17,065,800**		**16,704,600**	**16,454,600**	**(250,000)**	**17,024,000**	**16,774,000**	**(250,000)**
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund (Tobacco)	352,000	352,000		352,000	352,000		352,000	352,000	
General Fund	5,864,300	5,864,300		5,969,000	5,619,000	(350,000)	6,288,400	5,938,400	(350,000)
Restricted Funds	6,545,800	6,545,800		6,204,900	6,204,900		6,204,900	6,204,900	
Federal Funds	4,303,700	4,303,700		4,178,700	4,178,700		4,178,700	4,178,700	
Regular Total Funds	**17,065,800**	**17,065,800**		**16,704,600**	**16,354,600**	**(350,000)**	**17,024,000**	**16,674,000**	**(350,000)**
Use of Continuing									
TOTAL BASE LEVEL	**17,065,800**	**17,065,800**		**16,704,600**	**16,354,600**	**(350,000)**	**17,024,000**	**16,674,000**	**(350,000)**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds					100,000	100,000		100,000	100,000
TOTAL ADDITIONAL					**100,000**	**100,000**		**100,000**	**100,000**
V. ADDITIONAL BUDGET ITEMS									
1 NEW Vision Impaired Services									
ABR767Y0003 Provide funds for grant for Vision Impaired Services									
Restricted Funds					100,000	100,000		100,000	100,000
Project Total					**100,000**	**100,000**		**100,000**	**100,000**
TOTAL ADDITIONAL					**100,000**	**100,000**		**100,000**	**100,000**

COMMISSION FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium 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 $65,262,416 and Restricted Funds appropriations by $8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of $42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium 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 salary increments, retirement, health insurance, and personnel complement.

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

"**Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is $352,000 for Universal Newborn Hearing Screening and Vision Screening in each fiscal year."

HOUSE REPORT

The House concurs with the Branch with the following change:

The House provides $350,000 in General Fund support in each fiscal year to restore the Branch budget reduction and continue current services.

SENATE REPORT

The Senate concurs with the Branch with the following change:

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

"Visually Impaired Preschool Services: Included in the above General Fund appropriation is $100,000 in each fiscal year to provide a grant for Visually Impaired Preschool Services."

SENATE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

H - Health and Family Services Cabinet — Operating Budget

Medicaid Services Summary

	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	1,189,585,600	1,189,585,600		1,226,158,400	1,223,700,300	(2,458,100)	1,321,647,200	1,319,141,200	(2,506,000)
Restricted Funds	410,837,400	410,837,400		399,744,800	399,744,800		379,696,100	379,696,100	
Federal Funds	3,444,482,000	3,444,482,000		3,579,801,600	3,577,056,800	(2,744,800)	3,768,884,800	3,766,040,300	(2,844,500)
Regular Total Funds	**5,044,905,000**	**5,044,905,000**		**5,205,704,800**	**5,200,501,900**	**(5,202,900)**	**5,470,228,100**	**5,464,877,600**	**(5,350,500)**
Use of Continuing									
TOTAL FUNDS	**5,044,905,000**	**5,044,905,000**		**5,205,704,800**	**5,200,501,900**	**(5,202,900)**	**5,470,228,100**	**5,464,877,600**	**(5,350,500)**
II. EXPENDITURE CATEGORY									
Personnel Costs	65,846,600	65,846,600		67,854,500	62,401,700	(5,452,800)	67,960,900	62,360,500	(5,600,400)
Operating Expenses	1,089,500	1,089,500		1,373,000	1,373,000		1,414,200	1,414,200	
Grants, Loans, Benefits	4,977,968,900	4,977,968,900		5,136,477,300	5,136,727,200	249,900	5,400,853,000	5,401,102,900	249,900
TOTAL EXPENDITURES	**5,044,905,000**	**5,044,905,000**		**5,205,704,800**	**5,200,501,900**	**(5,202,900)**	**5,470,228,100**	**5,464,877,600**	**(5,350,500)**
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	1,077,585,600	1,077,585,600		1,077,585,600	1,077,585,600		1,077,585,600	1,077,585,600	
Restricted Funds	405,015,700	405,015,700		395,644,800	395,644,800		375,473,100	375,473,100	
Federal Funds	3,259,026,700	3,259,026,700		3,221,954,200	3,221,954,200		3,187,286,000	3,187,286,000	
Regular Total Funds	**4,741,628,000**	**4,741,628,000**		**4,695,184,600**	**4,695,184,600**		**4,640,344,700**	**4,640,344,700**	
Use of Continuing									
TOTAL BASE LEVEL	**4,741,628,000**	**4,741,628,000**		**4,695,184,600**	**4,695,184,600**		**4,640,344,700**	**4,640,344,700**	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund	112,000,000	112,000,000		148,572,800	146,114,700	(2,458,100)	244,061,600	241,555,600	(2,506,000)
Restricted Funds	5,821,700	5,821,700		4,100,000	4,100,000		4,223,000	4,223,000	
Federal Funds	185,455,300	185,455,300		357,847,400	355,102,600	(2,744,800)	581,598,800	578,754,300	(2,844,500)
TOTAL ADDITIONAL	**303,277,000**	**303,277,000**		**510,520,200**	**505,317,300**	**(5,202,900)**	**829,883,400**	**824,532,900**	**(5,350,500)**

Medicaid Services Summary

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

H - Health and Family Services Cabinet — Operating Budget

Medicaid Administration

	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	36,488,600	36,488,600		38,946,700	36,488,600	(2,458,100)	38,994,600	36,488,600	(2,506,000)
Restricted Funds	16,210,600	16,210,600		13,080,000	13,080,000		13,080,000	13,080,000	
Federal Funds	46,745,800	46,745,800		51,566,200	48,571,500	(2,994,700)	51,665,900	48,571,500	(3,094,400)
Regular Total Funds	**99,445,000**	**99,445,000**		**103,592,900**	**98,140,100**	**(5,452,800)**	**103,740,500**	**98,140,100**	**(5,600,400)**
Use of Continuing									
TOTAL FUNDS	**99,445,000**	**99,445,000**		**103,592,900**	**98,140,100**	**(5,452,800)**	**103,740,500**	**98,140,100**	**(5,600,400)**
II. EXPENDITURE CATEGORY									
Personnel Costs	65,846,600	65,846,600		67,854,500	62,401,700	(5,452,800)	67,960,900	62,360,500	(5,600,400)
Operating Expenses	1,089,500	1,089,500		1,373,000	1,373,000		1,414,200	1,414,200	
Grants, Loans, Benefits	32,508,900	32,508,900		34,365,400	34,365,400		34,365,400	34,365,400	
TOTAL EXPENDITURES	**99,445,000**	**99,445,000**		**103,592,900**	**98,140,100**	**(5,452,800)**	**103,740,500**	**98,140,100**	**(5,600,400)**
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	36,488,600	36,488,600		36,488,600	36,488,600		36,488,600	36,488,600	
Restricted Funds	16,210,600	16,210,600		13,080,000	13,080,000		13,080,000	13,080,000	
Federal Funds	46,745,800	46,745,800		48,571,500	48,571,500		48,571,500	48,571,500	
Regular Total Funds	**99,445,000**	**99,445,000**		**98,140,100**	**98,140,100**		**98,140,100**	**98,140,100**	
Use of Continuing									
TOTAL BASE LEVEL	**99,445,000**	**99,445,000**		**98,140,100**	**98,140,100**		**98,140,100**	**98,140,100**	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				2,458,100		(2,458,100)	2,506,000		(2,506,000)
Federal Funds				2,994,700		(2,994,700)	3,094,400		(3,094,400)
TOTAL ADDITIONAL				**5,452,800**		**(5,452,800)**	**5,600,400**		**(5,600,400)**
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN Medicaid Administration Continuation									
ABR746W0001 Provide funds to continue Medicaid Modernization and information system upgrades.									
General Fund				2,458,100		(2,458,100)	2,506,000		(2,506,000)
Federal Funds				2,994,700		(2,994,700)	3,094,400		(3,094,400)
Project Total				**5,452,800**		**(5,452,800)**	**5,600,400**		**(5,600,400)**
TOTAL ADDITIONAL				**5,452,800**		**(5,452,800)**	**5,600,400**		**(5,600,400)**

MEDICAID ADMINISTRATION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium 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 $65,262,416 and Restricted Funds appropriations by $8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of $42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium 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 salary increments, retirement, health insurance, and personnel complement.

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

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

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

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

"**Medicaid Service Category Expenditure Information:** No Medicaid managed care contract shall be valid and no payment to a Medicaid managed care vendor by the Finance and Administration Cabinet or the Cabinet for Health and Family Services shall be made, unless the Medicaid managed care contract contains a provision that the contractor shall collect Medicaid expenditure data by the categories of services paid for by the Medicaid Program. Actual statewide Medicaid expenditure data by all categories of Medicaid services, including mandated and optional Medicaid services, special expenditures/offsets, and Disproportionate Share Hospital

MEDICAID ADMINISTRATION

payments by type of hospital, shall be compiled by the Department for Medicaid Services for all Medicaid providers and forwarded to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis. Projections of Medicaid expenditures by categories of Medicaid services shall be provided to the Interim Joint Committee on Appropriations and Revenue upon request."

HOUSE REPORT

The House concurs with the Branch with the following change:

The House provides an additional $2,458,100 in General Fund support and $2,994,700 in Federal Funds in fiscal year 2008-2009 and an additional $2,506,000 in General Fund support and $2,094,400 in Federal Funds in fiscal year 2009-2010 to continue Medicaid Modernization and information system upgrades.

SENATE REPORT

The Senate concurs with the Branch.

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H - Health and Family Services Cabinet — Operating Budget

Medicaid Benefits

	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	1,153,097,000	1,153,097,000		1,187,211,700	1,187,211,700		1,282,652,600	1,282,652,600	
Restricted Funds	394,626,800	394,626,800		386,664,800	386,664,800		366,616,100	366,616,100	
Federal Funds	3,397,736,200	3,397,736,200		3,528,235,400	3,528,485,300	249,900	3,717,218,900	3,717,468,800	249,900
Regular Total Funds	**4,945,460,000**	**4,945,460,000**		**5,102,111,900**	**5,102,361,800**	**249,900**	**5,366,487,600**	**5,366,737,500**	**249,900**
Use of Continuing									
TOTAL FUNDS	**4,945,460,000**	**4,945,460,000**		**5,102,111,900**	**5,102,361,800**	**249,900**	**5,366,487,600**	**5,366,737,500**	**249,900**
II. EXPENDITURE CATEGORY									
Grants, Loans, Benefits	4,945,460,000	4,945,460,000		5,102,111,900	5,102,361,800	249,900	5,366,487,600	5,366,737,500	249,900
TOTAL EXPENDITURES	**4,945,460,000**	**4,945,460,000**		**5,102,111,900**	**5,102,361,800**	**249,900**	**5,366,487,600**	**5,366,737,500**	**249,900**
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	1,041,097,000	1,041,097,000		1,041,097,000	1,041,097,000		1,041,097,000	1,041,097,000	
Restricted Funds	388,805,100	388,805,100		382,564,800	382,564,800		362,393,100	362,393,100	
Federal Funds	3,212,280,900	3,212,280,900		3,173,382,700	3,173,382,700		3,138,714,500	3,138,714,500	
Regular Total Funds	**4,642,183,000**	**4,642,183,000**		**4,597,044,500**	**4,597,044,500**		**4,542,204,600**	**4,542,204,600**	
Use of Continuing									
TOTAL BASE LEVEL	**4,642,183,000**	**4,642,183,000**		**4,597,044,500**	**4,597,044,500**		**4,542,204,600**	**4,542,204,600**	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund	112,000,000	112,000,000		146,114,700	146,114,700		241,555,600	241,555,600	
Restricted Funds	5,821,700	5,821,700		4,100,000	4,100,000		4,223,000	4,223,000	
Federal Funds	185,455,300	185,455,300		354,852,700	355,102,600	249,900	578,504,400	578,754,300	249,900
TOTAL ADDITIONAL	**303,277,000**	**303,277,000**		**505,067,400**	**505,317,300**	**249,900**	**824,283,000**	**824,532,900**	**249,900**
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN Medical Assistance Continuation/Money Follows the Person/Home and Community Based Waiver Plus									
ABR748W0007 Provide funds to support inflation, increased utilization and community placements.									
General Fund	112,000,000	112,000,000		138,003,000	138,003,000		228,696,200	228,696,200	
Restricted Funds	5,821,700	5,821,700		4,100,000	4,100,000		4,223,000	4,223,000	
Federal Funds	185,455,300	185,455,300		336,157,400	336,157,400		548,607,100	548,607,100	
Project Total	**303,277,000**	**303,277,000**		**478,260,400**	**478,260,400**		**781,526,300**	**781,526,300**	

H - Health and Family Services Cabinet — Operating Budget

Medicaid Benefits

	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
2 EXPAN Supports for Community Living									
ABR748W0001 Provide 50 additional slots in FY 2008-09 and an additional 50 slots in FY 2009-2010.									
General Fund				809,500	809,500		1,913,600	1,913,600	
Federal Funds				1,890,500	1,890,500		4,486,400	4,486,400	
Project Total				**2,700,000**	**2,700,000**		**6,400,000**	**6,400,000**	
3 EXPAN Acquired Brain Injury Long Term Care									
ABR748W0002 Provide 50 slots in FY 2008-09 and an additional 100 slots in FY 2009-2010.									
General Fund				1,948,700	1,948,700		5,606,300	5,606,300	
Federal Funds				4,551,300	4,551,300		13,143,700	13,143,700	
Project Total				**6,500,000**	**6,500,000**		**18,750,000**	**18,750,000**	
4 NEW Michelle P. Waiver									
ABR748W0008 Provide funds to support the Michelle P. waiver program.									
General Fund				5,246,500	5,246,500		5,232,500	5,232,500	
Federal Funds				12,253,500	12,253,500		12,267,200	12,267,200	
Project Total				**17,500,000**	**17,500,000**		**17,499,700**	**17,499,700**	
5 NEW Preschool Dental Screenings									
ABR748W0009 Provide funds for preschool dental screenings.									
General Fund				107,000	107,000		107,000	107,000	
Federal Funds					249,900	249,900		249,900	249,900
Project Total				**107,000**	**356,900**	**249,900**	**107,000**	**356,900**	**249,900**
TOTAL ADDITIONAL	**303,277,000**	**303,277,000**		**505,067,400**	**505,317,300**	**249,900**	**824,283,000**	**824,532,900**	**249,900**

MEDICAID BENEFITS

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.

A consensus group, consisting of the Cabinet for Health and Family Services, Governor's Office for Policy and Management and Governor's Office for Economic Analysis forecasted Medicaid Benefits budgets based on an actuarial analysis of the cost per eligible by type of eligible performed by Pricewaterhouse Coopers, LLP.

The State/Executive Branch Budget Bill recommends $107,502,700 in fiscal year 2008-2009 and $110,150,600 in fiscal year 2009-2010 for the Kentucky Children's Insurance Program (KCHIP) including $24,263,300 in General Fund support, $213,200 in Restricted Funds and $83,026,200 in Federal Funds in fiscal year 2008-2009 and $25,024,500 in General Fund support and $85,126,100 in Federal Funds in fiscal year 2009-2010. These funds are estimated to support approximately 50,000 children in each year of the biennium.

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

"**Supports for Community Living Slots:** Included in the above appropriation is $809,500 in General Fund moneys and $1,890,500 in Federal Funds in fiscal year 2008-2009 to support 50 additional Supports for Community Living slots and $1,913,600 in General Fund moneys and $4,486,400 in Federal Funds in fiscal year 2009-2010 to support 50 additional Supports for Community Living slots for a total of 100 additional slots over the 2008-2010 fiscal biennium.

Supports for Community Living Waiver funds shall be utilized only for direct services to qualified Supports for Community Living Waiver recipients, and any unexpended funds shall not lapse but shall be carried forward to the next fiscal year for the same purpose."

"**Michelle P. Waiver:** Included in the above appropriation is $5,246,500 in General Fund moneys and $12,253,500 in Federal Funds

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in fiscal year 2008-2009 and $5,232,500 in General Fund moneys and $12,267,200 in Federal Funds in fiscal year 2009-2010 to support the Michelle P. waiver program.

"**Carry Forward of General Fund Appropriation Balance:** Notwithstanding KRS 45.229, any General Fund appropriation unexpended in fiscal year 2008-2009 shall not lapse but shall be carried forward into the next fiscal year."

"**Disproportionate Share Hospital Program:** Hospitals shall report indigent inpatient and outpatient care for which, under federal law, the hospital is eligible to receive disproportionate share payments. Disproportionate Share Hospital payments shall equal the maximum amounts established by federal law."

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

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

"**Quality and Charity Care Trust Fund:** No hospital shall be reimbursed from both the Quality and Charity Care Trust Fund and the Disproportionate Share Hospital Program for the same service to the same patient. Any hospital that willfully violates this provision shall be subject to a penalty equal to three times the amount of the improper charge to the funds, which shall be credited to the General Fund. The Secretary of the Cabinet for Health and Family Services shall have the authority to secure the patient information as needed from the participating facilities in order to determine compliance and enforce this provision. Each facility billing and receiving reimbursements from the Quality and Charity Care Trust Fund shall be required to identify each patient by Social Security number and indicate whether the patient is classified as indigent or medically needy. In any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement so agree, the General Fund appropriation to fulfill the Commonwealth's contractual obligation relating to the Quality and Charity Care Trust Agreement or any portion thereof, together with any other funds paid to the Quality and Charity Care Trust contractual obligation of the parties, or any portion thereof, shall be transferred to the Department for Medicaid Services as part of its Restricted Funds appropriation for Medicaid Benefits. In any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement do not agree to transfer all or any portion of the Trust's revenues to the Department for Medicaid Services for Medicaid Benefits, the Quality and Charity Care Trust shall operate pursuant to its contractual provisions."

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"**Kentucky Children's Health Insurance Program (KCHIP):** The Secretary of the Cabinet for Health and Family Services may transfer funds from Medicaid Benefits to the KCHIP General Fund or Restricted Funds appropriations to be used to match the Federal Funds allocation. These transfers may be made to cover both additional regular allocations and redistribution from the federal government. The Secretary shall recommend any proposed transfer to the State Budget Director for review and concurrence prior to transfer. Upon concurrence of the State Budget Director and prior to the transfer, the Secretary shall make the appropriate interim appropriation increase requests pursuant to KRS 48.630."

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

"**Medicaid Budget Analysis Reports:** The Department for Medicaid Services shall submit a quarterly budget analysis report to the Interim Joint Committee on Appropriations and Revenue. The report shall provide monthly detail of actual expenditures, eligibles, and average monthly cost per eligible by eligibility category along with current trailing 12-month averages for each of these figures. The report shall also provide actual figures for all categories of noneligible-specific expenditures such as Supplemental Medical Insurance premiums, Kentucky Patient Access to Care, nonemergency transportation, drug rebates, cost settlements, and Disproportionate Share Hospital payments by type of hospital. The report shall compare the actual expenditure experience with those underlying the enacted or revised enacted budget and explain any significant variances which may occur."

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

"**Medicaid Benefits Budget Surplus:** In the event Medicaid Benefits expenditures are less than available funds, the Secretary of the Cabinet for Health and Family Services may recommend the utilization of available funds to increase reimbursement rates, support

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program administration, or expand the Medicaid Program or the number of eligibles. No reimbursement rate, service, eligible, or program shall be increased without written approval of the State Budget Director and a report to the Interim Joint Committee on Appropriations and Revenue."

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

"**Critical Access Hospitals:** Beginning with the effective date of this Act through June 30, 2010, no acute care hospital shall convert to a critical access hospital unless the hospital has either received funding for a feasibility study from the Kentucky State Office of Rural Health or filed a written request by January 1, 2008 with the Kentucky State Office of Rural Health requesting funding for conducting a feasibility study."

"**Medicaid Copayments:** Notwithstanding KRS 205.6312, the Department for Medicaid Services may impose copayments for services rendered to Medicaid recipients not to exceed the amounts permitted by federal authority."

"**Hospital Provider Tax and Enhanced Payments:** Notwithstanding KRS 142.303, hospital provider tax collections in fiscal year 2007-2008 shall not be less than $180,000,000. Notwithstanding KRS 205.640, the Department for Medicaid Services shall use these funds to maintain and continue the hospital inpatient payment enhancements to Kentucky hospitals adopted in fiscal year 2005-2006 and the additional funding allocated by the Department to enhance reimbursement to hospitals paid under managed care arrangements. If the aggregate tax collected from all hospitals in fiscal year 2007-2008, pursuant to KRS 142.303, is less than $180,000,000, each hospital shall pay an additional provider tax in an amount equal to its pro rata share of the difference, based on its taxes paid in relation to total hospital taxes paid in the prior fiscal year. If the hospital provider tax paid in fiscal year 2007-2008, pursuant to KRS 142.303, is greater than $180,000,000, the amount in excess of $180,000,000 shall be deposited into the Hospital Payment Improvement Trust Fund, which is hereby created in the State Treasury as a trust and agency account, and shall be matched with Federal Funds for the sole use of increasing reimbursement to Kentucky hospitals, including those paid under managed care arrangements. To the extent that funds remain in the trust fund established by 2005 Ky. Acts ch. 173, Part I, H.3.b.(7), those funds shall be transferred to the fund created in this subsection and shall be used for the purposes stated in this paragraph.

Notwithstanding KRS 142.303, hospital provider tax collections for fiscal year 2008-2009 and fiscal year 2009-2010 shall be not

MEDICAID BENEFITS

less than $180,000,000 but shall not exceed the amount of the aggregate provider taxes paid by hospitals in fiscal year 2007-2008. Notwithstanding KRS 205.640, the Department for Medicaid Services shall use these funds to maintain and continue the hospital inpatient payment enhancements to Kentucky hospitals adopted in fiscal year 2007-2008 and the additional funding allocated by the Department to enhance reimbursement to hospitals paid under managed care arrangements. Notwithstanding KRS 142.301 to 142.363, taxes due in fiscal year 2008-2009 and in fiscal year 2009-2010 shall be paid in 12 equal monthly installments, except as otherwise provided in this paragraph, with each payment due no later than 20 days after the last day of each calendar month. At least 30 days prior to the beginning of the fiscal year, the Department of Revenue shall send written notice to each hospital of the hospital's estimated total tax liability for the year. The estimate for fiscal year 2008-2009 shall be based on actual payments for the first ten months of fiscal year 2007-2008. In the case of a new hospital that did not operate in state fiscal year 2007-2008, the hospital shall be taxed pursuant to KRS 142.303."

"**Acquired Brain Injury Long Term Care Waiver Program:** Included in the above appropriation is $1,948,700 in General Fund moneys and $4,551,300 in Federal Funds in fiscal year 2008-2009 to support 50 individuals and $5,606,300 in General Fund moneys and $13,143,700 in Federal Funds in fiscal year 2009-2010 to support 100 additional individuals for a total of 150 slots over the 2008-2010 biennium."

"**Medicaid Pharmacy:** Notwithstanding KRS 205.6312(4), a pharmacy provider participating in the Medical Assistance Program shall not be required to serve an eligible recipient if the recipient does not make the required copayment at the time of service, except for an initial encounter when a recipient presents a condition which could result in harm to the recipient if left untreated, in which case the pharmacist shall dispense a 72 hour emergency supply of the required medicine. The recipient may then return to the pharmacy with the necessary copayment to obtain the remainder of the prescription. Only one dispensing fee shall be paid by the Cabinet for the provision of both the emergency supply and the remainder of the prescription."

The following assumptions are reflected in Medicaid Benefits projections:

Blended federal match rates for Medicaid Benefits are projected to be: 70.02% in fiscal year 2008-2009 and 70.10% in fiscal year 2009-2010. Blended federal match rates for KCHIP are projected to be: 79.02% in fiscal year 2008-2009 and 79.07% in fiscal year 2009-2010.

Medicaid eligibles (per month): 722,730 in fiscal year 2008-2009 and 726,900 in fiscal year 2009-2010. Included in these numbers are 51,750 KCHIP eligibles in each fiscal year.

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Provider Taxes are projected to total to $302 million in fiscal year 2007-2008, $303.4 million in fiscal year 2008-2009 and $283.4 million in fiscal year 2009-2010 which reflects a loss of approximately $30 million from the expiration of the Medicaid Managed Care Provider Tax effective October 1, 2009 pursuant to the 2005 Deficit Reduction Act.

Receipts/State Match from Intergovernmental Transfers (IGTs) are projected to equal $11 million in each fiscal year.

Disproportionate Share Hospital payments are capped at $194,833,100 in fiscal year 2008-2009 and $195,726,600 in fiscal year 2009-2010. Included in these caps are state mental hospital DSH payments which are capped at $34,300,600 in each fiscal year. This budget includes state matches from university teaching hospitals for DSH funds for the University of Kentucky and University of Louisville Hospitals which are projected to equal approximately $72.1 million combined in each fiscal year.

The State/Executive Branch Budget Bill, Part I, Operating Budget, assumes continuation of the Region 3 (Louisville and surrounding counties) Medicaid Partnership and Kentucky Health Choices which allows different benefit packages in different areas of the state for different Medicaid populations with increased cost sharing pursuant to the 2005 Deficit Reduction Act.

HOUSE REPORT
The House concurs with the Branch with the following changes:

The House redirects General Fund support totaling $1,859,700 in fiscal year 2008-2009 and $1,100,000 in fiscal year 2009-2010 to other agencies within the Cabinet to restore Branch base reductions.

The House provides an additional $4,100,000 in General Fund support and $9,500,000 in Federal Funds in fiscal year 2008-2009 and an additional $4,223,000 in General Fund support and $9,853,700 in Federal Funds in fiscal year 2009-2010 to support enhanced payments to an urban trauma center hospital as defined in 907 KAR 1:013 subject to the availability of state matching funds and federal approval.

The House adds Part I, Operating Budget, language provisions as follows:

"Urban Trauma Center: Included in the above appropriation is funding to provide for payments for costs associated with operating an urban trauma center hospital as defined in 907 KAR 1:013. Payments are conditional upon availability of state matching funds and the ability to receive federal financial participation for such payments."

MEDICAID BENEFITS

"Medicaid State Match for Preventive Services By Local and District Health Departments: Included in the above appropriation in each year of the fiscal biennium are the total state matching funds required to fully support preventive health services provided to Medicaid recipients through local and district health departments. Such services shall continue, at a minimum, at the current level."

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

"Preschool Dental Screenings: Included in the above General Fund appropriation is $107,000 in each fiscal year for preschool dental screenings."

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate provides $249,900 in Federal Funds in each fiscal year for preschool dental screenings.

The Senate amends the Part I, Operating Budget, language provision relating to preschool dental screenings as follows:

"Preschool Dental Screenings: Included in the above appropriation is $107,000 in General Fund moneys and $249,900 in Federal Funds in each fiscal year for preschool dental screenings."

The Senate deletes the Part I, Operating Budget, language provision relating to hospital provider tax and enhanced payments.

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H - Health and Family Services Cabinet — Operating Budget

Mental Health and Mental Retardation Services

	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 (Tobacco)	800,000	800,000		975,000	975,000		975,000	975,000	
General Fund	199,681,300	199,681,300		203,052,600	199,431,300	(3,621,300)	205,680,500	198,151,300	(7,529,200)
Restricted Funds	215,861,500	215,861,500		227,844,600	227,844,600		229,704,900	229,704,900	
Federal Funds	45,915,600	45,915,600		43,120,600	43,120,600		39,920,600	39,920,600	
Regular Total Funds	**462,258,400**	**462,258,400**		**474,992,800**	**471,371,500**	**(3,621,300)**	**476,281,000**	**468,751,800**	**(7,529,200)**
Use of Continuing	113,300	113,300							
TOTAL FUNDS	**462,371,700**	**462,371,700**		**474,992,800**	**471,371,500**	**(3,621,300)**	**476,281,000**	**468,751,800**	**(7,529,200)**
II. EXPENDITURE CATEGORY									
Personnel Costs	120,859,600	120,859,600		111,880,300	111,880,300		112,027,500	112,027,500	
Operating Expenses	21,402,800	21,402,800		21,088,000	21,088,000		21,088,000	21,088,000	
Grants, Loans, Benefits	319,894,300	319,894,300		341,510,500	338,289,200	(3,221,300)	341,371,500	335,522,300	(5,849,200)
Debt Service	101,000	101,000					1,680,000		(1,680,000)
Capital Outlay	114,000	114,000		514,000	114,000	(400,000)	114,000	114,000	
TOTAL EXPENDITURES	**462,371,700**	**462,371,700**		**474,992,800**	**471,371,500**	**(3,621,300)**	**476,281,000**	**468,751,800**	**(7,529,200)**
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund (Tobacco)	800,000	800,000		975,000	975,000		975,000	975,000	
General Fund	195,271,700	195,271,700		193,106,200	193,106,200		193,106,200	193,106,200	
Restricted Funds	215,861,500	215,861,500		227,844,600	227,844,600		229,704,900	229,704,900	
Federal Funds	45,915,600	45,915,600		43,120,600	43,120,600		39,920,600	39,920,600	
Regular Total Funds	**457,848,800**	**457,848,800**		**465,046,400**	**465,046,400**		**463,706,700**	**463,706,700**	
Use of Continuing	113,300	113,300							
TOTAL BASE LEVEL	**457,962,100**	**457,962,100**		**465,046,400**	**465,046,400**		**463,706,700**	**463,706,700**	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund	4,409,600	4,409,600		9,946,400	6,325,100	(3,621,300)	12,574,300	5,045,100	(7,529,200)
TOTAL ADDITIONAL	**4,409,600**	**4,409,600**		**9,946,400**	**6,325,100**	**(3,621,300)**	**12,574,300**	**5,045,100**	**(7,529,200)**

V. ADDITIONAL BUDGET ITEMS

1 RRF Revenue Replacement ICF-MR Facilities

ABR729T0013 Provide funds to replace lost Medicaid revenue.

General Fund	4,409,600	4,409,600
Project Total	**4,409,600**	**4,409,600**

H - Health and Family Services Cabinet — Operating Budget

Mental Health and Mental Retardation Services

	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
2 NEW Debt Service									
ABR729T0017 Provide funds to support debt service for $18,000,000 in bonds to replace Glasgow State Nursing Facility.									
General Fund							796,000		(796,000)
Project Total							**796,000**		**(796,000)**
3 NEW Debt Service									
ABR729T0018 Provide funds to support debt service for $10,000,000 in bonds to construct Hazelwood Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled.									
General Fund							884,000		(884,000)
Project Total							**884,000**		**(884,000)**
4 NEW Hazelwood Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled									
ABR729T0019 Provide funds for site preparation to construct Hazelwood Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled									
General Fund				400,000		(400,000)			
Project Total				**400,000**		**(400,000)**			
5 EXPAN Mental Health/Mental Retardation Continuation									
ABR729T0020 Provide funds to support inflation and increased utilization.									
General Fund				9,546,400	6,175,100	(3,371,300)	10,894,300	4,895,100	(5,999,200)
Project Total				**9,546,400**	**6,175,100**	**(3,371,300)**	**10,894,300**	**4,895,100**	**(5,999,200)**
6 NEW Transitions, Inc. Program									
ABR729T0021 Provide $150,000 in General Fund support in each fiscal year to acquire and operate an adolescent substance abuse treatment program in Grant County.									
General Fund					150,000	150,000		150,000	150,000
Project Total					**150,000**	**150,000**		**150,000**	**150,000**
TOTAL ADDITIONAL	**4,409,600**	**4,409,600**		**9,946,400**	**6,325,100**	**(3,621,300)**	**12,574,300**	**5,045,100**	**(7,529,200)**

MENTAL HEALTH AND MENTAL RETARDATION SERVICES

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 language provisions that direct:

"**Disproportionate Share Hospital Funds:** Mental health disproportionate share funds are budgeted at the maximum amounts permitted by the Federal Balanced Budget Act of 1997, as amended by the Federal Benefits Improvements and Protection Act of 2000 and the Medicare Modernization Act of 2003, in the amount of $34,567,300 in each fiscal year."

"**Debt Service:** Included in the above General Fund appropriation in fiscal year 2009-2010 is $796,000 for debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

"**Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is $975,000 in each fiscal year for substance abuse prevention and treatment for pregnant women with a history of substance abuse problems."

"**Replacement of Eastern State Hospital:** To continue the planning process for the replacement of Eastern State Hospital, the Secretary of the Cabinet for Health and Family Services shall evaluate options for the planning of, and financing for, the replacement of the facility to meet the needs of individuals for which the Commonwealth is responsible. The Secretary shall propose a plan to the Governor and the Secretary of the Finance and Administration Cabinet for the replacement of the facility by December 1, 2008."

HOUSE REPORT

The House concurs with the Branch with the following changes:

MENTAL HEALTH AND MENTAL RETARDATION SERVICES

The House provides General Fund support totaling $10,050,800 in fiscal year 2008-2009 and $9,804,700 in fiscal year 2009-2010 to restore the Branch budget reduction and continue current services. In addition, the House provides General Fund support totaling $9,546,400 in fiscal year 2008-2009 and $10,894,300 in fiscal year 2009-2010 to support inflation and increased utilization and continue current services.

The House provides additional General Fund support totaling $400,000 in fiscal year 2008-2009 for site preparation for the construction of the Hazelwood Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled. In addition, the House provides $884,000 in General Fund support in fiscal year 2008-2009 for debt service for $10,000,000 in bond funds to construct the Hazelwood Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled.

The House amends the Part I, Operating Budget, language provision relating to the replacement of Eastern State Hospital as follows:

"Replacement of Eastern State Hospital: The replacement of the Eastern State Hospital facility as set forth in Part II, Capital Projects Budget, of this Act shall include the establishment of a 12 bed post-acute intensive rehabilitation unit for acquired brain injured individuals that shall provide on-going active therapy aimed at maximizing recovery and at returning patients to home, work, or school, similar to programs in Carbondale, Illinois and Irving, Texas."

The House adds Part I, Operating Budget, language provisions as follows:

"Prior Notice Process for Changes to the Operations of Central State Hospital Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled (ICF MR/DD): Notwithstanding KRS 210.045(1)(g), 210.045(1)(h), and 210.045(2), the 60 day notice requirement contained in KRS 210.045 shall be suspended until July 1, 2010, for changes to Central State Hospital ICF MR/DD as referenced in subsection (6) of this section. However, the remaining provisions of KRS 210.045 shall continue to be in effect."

"Hazelwood Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled (ICF MR/DD): The Cabinet for Health and Family Services shall procure, through the process established by KRS Chapter 45A, a contractual arrangement for a nonstate agency to construct residential units to accommodate the transfer of licensed ICF MR/DD beds and associated patients at Central State Hospital to the Hazelwood campus. This contract shall include the construction of an outpatient psychiatric and medical health clinic and an outpatient psychiatric dental clinic on the campus of Hazelwood ICF MR/DD.

Included in the above General Fund appropriation is $400,000 in fiscal year 2008-2009 for site preparation for the Hazelwood ICF

MENTAL HEALTH AND MENTAL RETARDATION SERVICES

MR/DD project, and $884,000 in fiscal year 2009-2010 for debt service for new bonds as set forth in Part II, Capital Projects Budget, of this Act."

"Rental Payments: If the new mental health facility to replace Eastern State Hospital authorized in Part II, Capital Projects Budget, of this Act is occupied by the Cabinet for Health and Family Services during the 2008-2010 fiscal biennium, all associated rental payments shall be deemed a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act."

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, to include $10,000,000 in bond funds to construct the Hazelwood Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled and $129,005,000 in other funds to construct a replacement facility for Eastern State Hospital.

The House adds, Part II, Capital Budget, language provisions relating to the replacement of Eastern State Hospital, as follows:

"Property Lease: The Finance and Administration Cabinet and the Cabinet for Health and Family Services are authorized to execute a long-term lease with the University of Kentucky for property at the University of Kentucky's Coldstream Research Campus on Newtown Pike in Lexington, Kentucky for the sum of one dollar per year for 99 years, on which to locate a new mental health facility to replace Eastern State Hospital."

"Financing, Design and Construction, and Lease-Rental Payments: The Finance and Administration Cabinet is authorized to enter into an agreement with the Lexington-Fayette Urban-County Government, or its public properties corporation, to provide the financing for a new mental health facility to replace Eastern State Hospital. The Finance and Administration Cabinet, on behalf of the Cabinet for Health and Family Services, shall procure the design and construction of a new mental health facility to replace Eastern State Hospital. The Cabinet for Health and Family Services is authorized to make lease-rental payments to the Lexington-Fayette Urban County Government, or its public properties corporation, upon the cabinet's occupancy of the new mental health facility."

"Agreement Approval: Subsections (1) and (2) above are contingent upon the execution and approval by the University of Kentucky Board of Trustees, the Secretary of the Finance and Administration Cabinet on behalf of the Cabinet for Health and Family Services, and the Lexington-Fayette Urban-County Government, or its public properties corporation, of all contractual agreements required by subsections (1) and (2) above. The executed agreements shall be reported to the Interim Joint Committee on Appropriations and Revenue and the Capital Projects and Bond Oversight Committee."

MENTAL HEALTH AND MENTAL RETARDATION SERVICES

"Vacate Facilities: The Kentucky Community and Technical College System is authorized to vacate the property on the current Bluegrass Community and Technical College, Cooper Drive Campus, located in Lexington, Kentucky, as determined and agreed to by the University of Kentucky and the Kentucky Community and Technical College System."

"Transfer of Existing Property: The Finance and Administration Cabinet is authorized to transfer the state property known as Eastern State Hospital, occupied by the Cabinet for Health and Family Services on West Fourth Street in Lexington, Kentucky, to the Kentucky Community and Technical College System at an appropriate time consistent with the relocation of the Cabinet for Health and Family Services' programs from that property to the new mental health facility, as determined by the Secretary of the Finance and Administration Cabinet."

"**Project Status Report:** Within 90 days of the effective date of this Act, the Finance and Administration Cabinet shall report the status of the Replacement of Eastern State Hospital project to the Interim Joint Committee on Appropriations and Revenue. Project status reports to the Interim Joint Committee on Appropriations and Revenue shall be required every six months thereafter, until project completion."

SENATE

The Senate concurs with the House with the following changes:

The Senate deletes the Part I, Operating Budget, General Fund support for debt service in fiscal year 2008-2009 totaling $796,000 for $18,000,000 in bond funds to replace Glasgow State Nursing Facility and $884,000 for $10,000,000 in bond funds to construct Hazelwood Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled.

The Senate deletes the Part I, Operating Budget, $400,000 in General Fund support in fiscal year 2008-2009 for site preparation to construct Hazelwood Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled.

The Senate reduces the additional General Fund support to support inflation and increased utilization and to continue current services by $3,371,300 in fiscal year 2008-2009 and $5,999,200 in fiscal year 2009-2010.

The Senate adds in Part I, Operating Budget, General Fund support totaling $150,000 in each fiscal year to acquire and operate the Transitions, Inc. adolescent substance abuse treatment program in Grant County.

The Senate adds a Part I, Operating Budget, language provision relating to Transitions, Inc. as follows:

MENTAL HEALTH AND MENTAL RETARDATION SERVICES

"**Transitions, Inc. Program:** Included in the above General Fund appropriation is $150,000 in each fiscal year to acquire and operate the Transitions, Inc. Adolescent Substance Abuse Treatment Program in Grant County."

The Senate deletes the Part II, Capital Budget, project totaling $18,000,000 in bond funds to replace Glasgow State Nursing Facility.

The Senate amends the Part II, Capital Budget, fund source to construct Hazelwood Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled from $10,000,000 in bond funds to $10,400,000 in other funds.

The Senate deletes the Part I, Operating Budget, language provision relating to $796,000 in General Fund support in fiscal year 2008-2009 for $18,000,000 in bond funds to replace Glasgow State Nursing Facility.

The Senate amends the Part I, Operating Budget, language provision relating to the replacement of Eastern State Hospital as follows:

"**Replacement of Eastern State Hospital:** Notwithstanding any other provision of law to the contrary, the secretary of the Cabinet for Health and Family Services shall solicit a proposal from the Bluegrass Regional Mental Health and Mental Retardation (MH/MR) Board, Inc. to construct and operate a new Eastern State Hospital Facility in accordance with the authorization in this Act.

If the secretary finds that the proposal meets programmatic and structural requirements for the anticipated population and its needs, and is satisfied with the proposal's financial provisions, the Bluegrass Regional MH/MR Board, Inc. is authorized to contract for the construction of this facility as authorized in this Act."

The Senate amends the Part I, Operating Budget, language provision relating to rental payments as follows:

"**Rental Payments:** If the new mental health facility to replace Eastern State Hospital authorized in this Act is occupied by the Cabinet for Health and Family Services during the 2008-2010 fiscal biennium, all associated rental payments shall be deemed a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act."

The Senate amends the Part I, Operating Budget, language provision relating to prior notice process for changes to the operations of Central State Hospital Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled (ICF MR/DD) as follows:

MENTAL HEALTH AND MENTAL RETARDATION SERVICES

"Prior Notice Process for Changes to the Operations of Central State Hospital Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled (ICF MR/DD): Notwithstanding KRS 210.045(1)(g), 210.045(1)(h), and 210.045(2), the 60 day notice requirement contained in KRS 210.045 shall be suspended until July 1, 2010, for changes to Central State Hospital ICF MR/DD as referenced in subsection (5) of this section. However, the remaining provisions of KRS 210.045 shall continue to be in effect."

The Senate amends the Part I, Operating Budget, language provision relating to Hazelwood Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled as follows:

"**Hazelwood Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled (ICF MR/DD):** Notwithstanding any other statute to the contrary, the Cabinet for Health and Family Services shall construct residential units to be financed through the Kentucky Housing Corporation to accommodate the transfer of licensed ICF MR/DD beds and associated patients from Central State Hospital to the Hazelwood Campus as set forth in Part II, Capital Budget, of this Act."

The Senate adds a Part I, Operating Budget, language provision relating to Cedar Lake Lodge as follows:

"Cedar Lake Lodge: Included in the above General Fund appropriation is $50,000 in each fiscal year for rental payments for Cedar Lake Lodge for an off-site adult day care center."

The Senate deletes the Part II, Capital Budget, language provisions relating to Eastern State Hospital.

H - Health and Family Services Cabinet — Capital Budget

Mental Health and Mental Retardation Services

	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				28,000,000		(28,000,000)			
Other Funds				129,005,000	139,405,000	10,400,000			
TOTAL CAPITAL				**157,005,000**	**139,405,000**	**(17,600,000)**			
II. CAPITAL PROJECTS									
1 Replacement of Glasgow State Nursing Facility Reauthorization and Reallocation ($2,000,000 Bond Funds)									
PRJ729T2308									
Bond Funds				18,000,000		(18,000,000)			
Project Total				**18,000,000**		**(18,000,000)**			
2 Fayette County - Lease									
PRJ729T5001									
General Fund									
Project Total									
3 Franklin County - Lease									
PRJ729T5000									
General Fund									
Project Total									
4 Construct Hazelwood Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled									
PRJ729T5003									
Bond Funds				10,000,000		(10,000,000)			
Other Funds					10,400,000	10,400,000			
Project Total				**10,000,000**	**10,400,000**	**400,000**			
5 Construct Replacement of Eastern State Hospital									
PRJ729T5005									
Other Funds				129,005,000	129,005,000				
Project Total				**129,005,000**	**129,005,000**				
TOTAL CAPITAL				**157,005,000**	**139,405,000**	**(17,600,000)**			

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H - Health and Family Services Cabinet — Operating Budget

Public Health

	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 (Tobacco)	16,793,000	16,793,000		16,856,300	16,856,300		17,078,900	17,078,900	
General Fund	71,009,200	71,009,200		79,239,200	71,509,200	(7,730,000)	74,416,600	71,709,200	(2,707,400)
Restricted Funds	81,315,100	81,315,100		85,038,600	85,038,600		85,100,800	85,100,800	
Federal Funds	183,976,500	183,976,500		184,332,900	184,332,900		184,604,000	184,604,000	
Regular Total Funds	**353,093,800**	**353,093,800**		**365,467,000**	**357,737,000**	**(7,730,000)**	**361,200,300**	**358,492,900**	**(2,707,400)**
Use of Continuing	3,757,500	3,757,500							
TOTAL FUNDS	**356,851,300**	**356,851,300**		**365,467,000**	**357,737,000**	**(7,730,000)**	**361,200,300**	**358,492,900**	**(2,707,400)**
II. EXPENDITURE CATEGORY									
Personnel Costs	48,841,300	48,841,300		48,302,200	48,302,200		49,351,000	49,251,000	(100,000)
Operating Expenses	15,978,400	15,978,400		16,678,900	16,278,900	(400,000)	15,849,300	15,449,300	(400,000)
Grants, Loans, Benefits	291,565,600	291,565,600		300,485,900	293,155,900	(7,330,000)	295,558,000	293,792,600	(1,765,400)
Debt Service	466,000	466,000					442,000		(442,000)
TOTAL EXPENDITURES	**356,851,300**	**356,851,300**		**365,467,000**	**357,737,000**	**(7,730,000)**	**361,200,300**	**358,492,900**	**(2,707,400)**
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund (Tobacco)	16,793,000	16,793,000		16,856,300	16,856,300		17,078,900	17,078,900	
General Fund	71,009,200	71,009,200		71,009,200	70,579,200	(430,000)	71,986,600	70,579,200	(1,407,400)
Restricted Funds	81,315,100	81,315,100		85,038,600	85,038,600		85,100,800	85,100,800	
Federal Funds	183,976,500	183,976,500		184,332,900	184,332,900		184,604,000	184,604,000	
Regular Total Funds	**353,093,800**	**353,093,800**		**357,237,000**	**356,807,000**	**(430,000)**	**358,770,300**	**357,362,900**	**(1,407,400)**
Use of Continuing	3,757,500	3,757,500							
TOTAL BASE LEVEL	**356,851,300**	**356,851,300**		**357,237,000**	**356,807,000**	**(430,000)**	**358,770,300**	**357,362,900**	**(1,407,400)**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				8,230,000	930,000	(7,300,000)	2,430,000	1,130,000	(1,300,000)
TOTAL ADDITIONAL				**8,230,000**	**930,000**	**(7,300,000)**	**2,430,000**	**1,130,000**	**(1,300,000)**
V. ADDITIONAL BUDGET ITEMS									
1 CONT Increased cost of medical related services.									
ABR728S0030 Provide for increased level of base cost growth due to inflation of medically related services.									
General Fund				830,000	430,000	(400,000)	830,000	430,000	(400,000)
Project Total				**830,000**	**430,000**	**(400,000)**	**830,000**	**430,000**	**(400,000)**

H - Health and Family Services Cabinet — Operating Budget

Public Health

	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
2 EXPAN Neonatal Grant									
ABR728S0031 Provides a matching grant for construction of specialized neonatal facilities in Jefferson County									
General Fund				6,000,000		(6,000,000)			
Project Total				**6,000,000**		**(6,000,000)**			
3 GB Ky Prescription Drug Patient Assistance Program									
ABR728S0032 Provide funds for consolidation and coordination of prescription assistance program of the Cabinet and implementation of statewide program through local partners.									
General Fund				400,000	400,000		600,000	600,000	
Project Total				**400,000**	**400,000**		**600,000**	**600,000**	
4 NEW Cardiovascular Services									
ABR728S0034 Provides funds for the Cardiovascular Innovation Institute.									
General Fund				1,000,000		(1,000,000)	1,000,000		(1,000,000)
Project Total				**1,000,000**		**(1,000,000)**	**1,000,000**		**(1,000,000)**
5 CONT Epilepsy Foundation of Kentuckiana									
ABR728S0035 Provides $1,000,000 in Grant Funds each year.									
General Fund					100,000	100,000		100,000	100,000
Project Total					**100,000**	**100,000**		**100,000**	**100,000**
TOTAL ADDITIONAL				**8,230,000**	**930,000**	**(7,300,000)**	**2,430,000**	**1,130,000**	**(1,300,000)**

TRANSFERS TO THE GENERAL FUND		
Public Health		
Agency Revenue Fund (KRS 194A.050(4), 211.350(10), 211.848(2), 212.025(2), 217.125(2), 219.071, and 221.020(2))	50,900	50,900
TOTAL	**50,900**	**50,900**

PUBLIC HEALTH

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium 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 $65,262,416 and Restricted Funds appropriations by $8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of $42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium 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 salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Public Health, Restricted Funds of $50,900 in fiscal year 2007-2008.

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

"**Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is $9,099,900 in each fiscal year for the Health Access Nurturing Development Services Program, $2,307,600 in fiscal year 2008-2009 and $2,457,600 in fiscal year 2009-2010 for Healthy Start initiatives, $2,313,400 in each fiscal year for Universal Children's Immunizations, $400,000 in each fiscal year for the Folic Acid Program, $1,000,000 in fiscal year 2008-2009 and $1,072,400 in fiscal year 2009-2010 for Early Childhood Mental Health, $510,500 in each fiscal year for Early Childhood Oral Health, $1,000,000 in each fiscal year for the Kentucky Early Intervention Services First Steps Program, and $224,900 in fiscal year 2008-2009 and $225,100 in fiscal year 2009-2010 for the Reach Out and Read Program."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House provides $8,810,000 in General Fund support in each fiscal year to restore the Branch budget reduction and continue current services. In addition, the House provides $442,000 in General Fund support in fiscal year 2009-2010 to provide debt service for $10,000,000 in bond funds for a Local and District Health Department Infrastructure Pool.

PUBLIC HEALTH

The House adds Part I, Operating Budget, language provisions as follows:

"**Local and District Health Department Payments:** The Department for Public Health shall not impose a cap or other restriction on the number or amount of services that a local or district health department may provide. The Department for Public Health shall submit all requests for payment for services provided to the Department for Medicaid Services that are submitted by a local or district health department."

"**Medicaid State Match for Preventive Services Through Local and District Health Departments:** Included in the Medicaid Benefits appropriation as set forth in Part I, H., 3., b., of this Act is the total General Fund state matching dollars required in each fiscal year to fully support preventive health services provided to Medicaid recipients through local and district health departments**."**

"**Local and District Health Department Infrastructure Pool:** Included in the above General Fund appropriation is $442,000 in fiscal year 2009-2010 to provide debt service to support $10,000,000 in bonds for a Local and District Health Department Infrastructure Pool to be administered by the Department for Public Health to address a portion of the construction and renovation needs of the local public health agencies as set forth in Part II, Capital Projects Budget, of this Act. The Department for Public Health shall continue the application process to participate in this pool, and that process shall continue to require in-kind or matching funds from the local agency of not less than 25 percent of the grant requested. No individual grant from this pool shall exceed $500,000. Priority for grants from this pool shall be those application that were approved from the last pool but for which funding was not available, if that need is still applicable. If after funding the previously approved applications, the amount of bond funds available from the pool is not sufficient to cover all applications, the department shall determine the distribution of pool assets."

"**Kentucky Prescription Drug Patient Assistance Program:** Included in the above General Fund appropriation is $400,000 in fiscal year 2008-2009 and $600,000 in fiscal year 2009-2010 to continue the Kentucky Prescription Drug Patient Assistance Program. The purpose of these funds shall be to consolidate all programs in the Cabinet for Health and Family Services that assist individuals in obtaining free or reduced-price prescription drugs and to make at least $150,000 in grants available each year of the biennium to local agencies and organizations that are providing these services in a manner that has the potential for expansion or adoption on a statewide basis. Progress in implementing this system, including the amount of free drugs retained by each local agency or organization, shall be reported on a semiannual basis to the Interim Joint Committees on Appropriations and Revenue and Health and Welfare."

"**Cardiovascular Services:** Included in the above General Fund appropriation is $1,000,000 in each fiscal year for the Cardiovascular

PUBLIC HEALTH
Innovation Institute.

The House amends the State/Executive Branch Budget Bill, Part II, Capital Budget, to include $10,000,000 in bond funds in fiscal year 2008-2009 for a Local and District Health Department Infrastructure Pool.

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

The Senate adds Part I, Operating Budget, language provisions as follows:

"**Local and District Health Department Payments:** The Department for Public Health shall not impose a cap or other restriction on the number or amount of services that a local or district health department may provide. The Department for Public Health shall submit all requests for payment for services provided to the Department for Medicaid Services that are submitted by a local or district health department."

"**Medicaid State Match for Preventive Services Through Local and District Health Departments:** Included in the Medicaid Benefits appropriation as set forth in Part I, H., 3., b., of this Act is the total General Fund state matching dollars required in each fiscal year to fully support preventive health services provided to Medicaid recipients through local and district health departments**."**

"**Kentucky Prescription Drug Patient Assistance Program:** Included in the above General Fund appropriation is $400,000 in fiscal year 2008-2009 and $600,000 in fiscal year 2009-2010 to continue the Kentucky Prescription Drug Patient Assistance Program. The purpose of these funds shall be to consolidate all programs in the Cabinet for Health and Family Services that assist individuals in obtaining free or reduced-price prescription drugs and to make at least $150,000 in grants available each year of the biennium to local agencies and organizations that are providing these services in a manner that has the potential for expansion or adoption on a statewide basis. Progress in implementing this system, including the amount of free drugs retained by each local agency or organization, shall be reported on a semiannual basis to the Interim Joint Committees on Appropriations and Revenue and Health and Welfare."

"**Epilepsy Foundation:** Included in the above General Fund appropriation is $100,000 in each fiscal year to provide a grant to the Epilepsy Foundation of Kentuckiana."

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H - Health and Family Services Cabinet — Capital Budget

Public Health

	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				10,000,000		(10,000,000)			
TOTAL CAPITAL				**10,000,000**		**(10,000,000)**			
II. CAPITAL PROJECTS									
1 Local and District Health Department Infrastructure Pool									
PRJ728S2305									
Bond Funds				10,000,000		(10,000,000)			
Project Total				**10,000,000**		**(10,000,000)**			
TOTAL CAPITAL				**10,000,000**		**(10,000,000)**			

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Health Policy

	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	600,700	600,700		553,000	553,000		583,300	583,300	
Restricted Funds	1,413,700	1,413,700		578,700	578,700		578,700	578,700	
Regular Total Funds	**2,014,400**	**2,014,400**		**1,131,700**	**1,131,700**		**1,162,000**	**1,162,000**	
Use of Continuing									
TOTAL FUNDS	**2,014,400**	**2,014,400**		**1,131,700**	**1,131,700**		**1,162,000**	**1,162,000**	
II. EXPENDITURE CATEGORY									
Personnel Costs	1,622,500	1,622,500		1,036,000	1,036,000		1,066,300	1,066,300	
Operating Expenses	63,400	63,400		60,500	60,500		60,500	60,500	
Grants, Loans, Benefits	328,500	328,500		35,200	35,200		35,200	35,200	
TOTAL EXPENDITURES	**2,014,400**	**2,014,400**		**1,131,700**	**1,131,700**		**1,162,000**	**1,162,000**	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	600,700	600,700		553,000	553,000		583,300	583,300	
Restricted Funds	1,413,700	1,413,700		578,700	578,700		578,700	578,700	
Regular Total Funds	**2,014,400**	**2,014,400**		**1,131,700**	**1,131,700**		**1,162,000**	**1,162,000**	
Use of Continuing									
TOTAL BASE LEVEL	**2,014,400**	**2,014,400**		**1,131,700**	**1,131,700**		**1,162,000**	**1,162,000**	
TRANSFERS TO THE GENERAL FUND									
Health Policy									
Agency Revenue Fund (KRS 212.025(2))	200,000	200,000		43,700	43,700		43,700	43,700	
TOTAL	**200,000**	**200,000**		**43,700**	**43,700**		**43,700**	**43,700**	

HEALTH POLICY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium 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 $65,262,416 and Restricted Funds appropriations by $8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of $42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium 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 salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Health Policy, Restricted Funds of $200,000 in fiscal year 2007-2008, $43,700 in fiscal year 2008-2009, and $43,700 in fiscal year 2009-2010.

HOUSE REPORT

The House concurs with the Branch with the following change:

The House adds a Part I, Operating Budget, language provision as follows:

"Voluntary Relinquishment of a Certificate of Need or Licensure: Notwithstanding KRS 216B.061, following the voluntary closure of a health care facility, revocation of a certificate of need, or revocation of licensure, the beds, equipment, and services provided by the closed facility shall be reserved for applications for any certificate of need to reestablish the same services, in whole or part, in the same county as the closed health facility."

SENATE REPORT

The Senate concurs with the House and adds the following Part I, Operating Budget language provision relating to the the relocation of hospital-based beds as follows:

"Relocation of Hospital-Based Beds: Notwithstanding any other provision of law to the contrary, a licensed acute care hospital operating within a system owned by the same entity may relocate its excess hospital-based beds to another facility in an adjacent

HEALTH POLICY

county without a hospital and with a population of not less than 65,000 to meet the health care needs in the communities it serves."

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H - Health and Family Services Cabinet — Operating Budget

Human Support Services

	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 (Tobacco)	100,000	100,000		175,000	175,000		175,000	175,000	
General Fund	12,561,600	12,561,600		8,134,600	7,534,600	(600,000)	8,955,300	7,555,300	(1,400,000)
Restricted Funds	626,000	626,000		626,000	626,000		626,000	626,000	
Federal Funds	3,929,500	3,929,500		3,902,700	3,902,700		3,909,700	3,909,700	
Regular Total Funds	**17,217,100**	**17,217,100**		**12,838,300**	**12,238,300**	**(600,000)**	**13,666,000**	**12,266,000**	**(1,400,000)**
Use of Continuing	130,900	130,900							
TOTAL FUNDS	**17,348,000**	**17,348,000**		**12,838,300**	**12,238,300**	**(600,000)**	**13,666,000**	**12,266,000**	**(1,400,000)**
II. EXPENDITURE CATEGORY									
Personnel Costs	906,800	906,800		779,000	779,000		806,700	806,700	
Operating Expenses	241,200	241,200		228,500	228,500		228,500	228,500	
Grants, Loans, Benefits	16,200,000	16,200,000		11,830,800	11,230,800	(600,000)	12,630,800	11,230,800	(1,400,000)
TOTAL EXPENDITURES	**17,348,000**	**17,348,000**		**12,838,300**	**12,238,300**	**(600,000)**	**13,666,000**	**12,266,000**	**(1,400,000)**
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund (Tobacco)	100,000	100,000		175,000	175,000		175,000	175,000	
General Fund	12,561,600	12,561,600		7,534,600	7,534,600		7,555,300	7,555,300	
Restricted Funds	626,000	626,000		626,000	626,000		626,000	626,000	
Federal Funds	3,929,500	3,929,500		3,902,700	3,902,700		3,909,700	3,909,700	
Regular Total Funds	**17,217,100**	**17,217,100**		**12,238,300**	**12,238,300**		**12,266,000**	**12,266,000**	
Use of Continuing	130,900	130,900							
TOTAL BASE LEVEL	**17,348,000**	**17,348,000**		**12,238,300**	**12,238,300**		**12,266,000**	**12,266,000**	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				600,000		(600,000)	1,400,000		(1,400,000)
TOTAL ADDITIONAL				**600,000**		**(600,000)**	**1,400,000**		**(1,400,000)**
V. ADDITIONAL BUDGET ITEMS									
1 GB FRYSC Growth									
ABR730H0005 Provide funds for 15 new centers in FY 2008-09 and 20 additional center in FY 2009-10 for a total of 35 new centers.									
General Fund				600,000		(600,000)	1,400,000		(1,400,000)
Project Total				**600,000**		**(600,000)**	**1,400,000**		**(1,400,000)**
TOTAL ADDITIONAL				**600,000**		**(600,000)**	**1,400,000**		**(1,400,000)**

HUMAN SUPPORT SERVICES

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium 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 $65,262,416 and Restricted Funds appropriations by $8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of $42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium 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 salary increments, retirement, health insurance, and personnel complement.

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

"**Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is $175,000 in each fiscal year for the Children's Advocacy Centers."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House provides $500,000 in General Fund support in each fiscal year to restore the Branch budget reduction and continue current services.

The House adds a Part I, Operating Budget, language provision as follows:

"**Family Resource and Youth Service Centers:** Included in the above General Fund appropriation is $600,000 in fiscal year 2008-2009 and $1,400,000 in fiscal year 2009-2010 to provide an allocation to expand the Family Resource and Youth Service Center program to serve 15 additional schools in fiscal year 2008-2009 and 20 additional schools in fiscal year 2009-2010."

SENATE REPORT

The Senate concurs with the Branch with the following change:

HUMAN SUPPORT SERVICES

The Senate provides $500,000 in General Fund support in each fiscal year to restore the Branch budget reduction and continue current services.

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H - Health and Family Services Cabinet — Operating Budget

Ombudsman

	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	3,577,800	3,577,800		3,387,400	3,287,400	(100,000)	3,491,200	3,391,200	(100,000)
Restricted Funds	37,800	37,800		17,000	17,000		17,000	17,000	
Federal Funds	2,333,000	2,333,000		2,126,000	2,126,000		2,192,900	2,192,900	
Regular Total Funds	**5,948,600**	**5,948,600**		**5,530,400**	**5,430,400**	**(100,000)**	**5,701,100**	**5,601,100**	**(100,000)**
Use of Continuing									
TOTAL FUNDS	**5,948,600**	**5,948,600**		**5,530,400**	**5,430,400**	**(100,000)**	**5,701,100**	**5,601,100**	**(100,000)**
II. EXPENDITURE CATEGORY									
Personnel Costs	5,578,800	5,578,800		5,223,400	5,123,400	(100,000)	5,393,900	5,293,900	(100,000)
Operating Expenses	369,800	369,800		307,000	307,000		307,200	307,200	
TOTAL EXPENDITURES	**5,948,600**	**5,948,600**		**5,530,400**	**5,430,400**	**(100,000)**	**5,701,100**	**5,601,100**	**(100,000)**
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	3,577,800	3,577,800		3,387,400	3,287,400	(100,000)	3,491,200	3,391,200	(100,000)
Restricted Funds	37,800	37,800		17,000	17,000		17,000	17,000	
Federal Funds	2,333,000	2,333,000		2,126,000	2,126,000		2,192,900	2,192,900	
Regular Total Funds	**5,948,600**	**5,948,600**		**5,530,400**	**5,430,400**	**(100,000)**	**5,701,100**	**5,601,100**	**(100,000)**
Use of Continuing									
TOTAL BASE LEVEL	**5,948,600**	**5,948,600**		**5,530,400**	**5,430,400**	**(100,000)**	**5,701,100**	**5,601,100**	**(100,000)**

OMBUDSMAN

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium 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 $65,262,416 and Restricted Funds appropriations by $8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of $42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium 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 salary increments, retirement, health insurance, and personnel complement.

HOUSE REPORT

The House concurs with the Branch with the following change:

The House provides $100,000 in General Fund support in each fiscal year to restore the Branch budget reduction and continue current services.

SENATE REPORT

The Senate concurs with the Branch.

H - Health and Family Services Cabinet — Operating Budget

Disability Determination Services

	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									
Restricted Funds	65,800	65,800		65,800	65,800		65,800	65,800	
Federal Funds	46,533,000	46,533,000		50,432,900	50,432,900		51,465,200	51,465,200	
Regular Total Funds	**46,598,800**	**46,598,800**		**50,498,700**	**50,498,700**		**51,531,000**	**51,531,000**	
Use of Continuing									
TOTAL FUNDS	**46,598,800**	**46,598,800**		**50,498,700**	**50,498,700**		**51,531,000**	**51,531,000**	
II. EXPENDITURE CATEGORY									
Personnel Costs	25,782,200	25,782,200		29,965,600	29,965,600		31,004,000	31,004,000	
Operating Expenses	3,516,600	3,516,600		3,516,600	3,516,600		3,516,600	3,516,600	
Grants, Loans, Benefits	17,300,000	17,300,000		17,016,500	17,016,500		17,010,400	17,010,400	
TOTAL EXPENDITURES	**46,598,800**	**46,598,800**		**50,498,700**	**50,498,700**		**51,531,000**	**51,531,000**	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	65,800	65,800		65,800	65,800		65,800	65,800	
Federal Funds	46,533,000	46,533,000		46,932,900	46,932,900		47,665,200	47,665,200	
Regular Total Funds	**46,598,800**	**46,598,800**		**46,998,700**	**46,998,700**		**47,731,000**	**47,731,000**	
Use of Continuing									
TOTAL BASE LEVEL	**46,598,800**	**46,598,800**		**46,998,700**	**46,998,700**		**47,731,000**	**47,731,000**	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Federal Funds				3,500,000	3,500,000		3,800,000	3,800,000	
TOTAL ADDITIONAL				**3,500,000**	**3,500,000**		**3,800,000**	**3,800,000**	
V. ADDITIONAL BUDGET ITEMS									
1 GB Vacant positions-DDS									
ABR726D0001 Provides funds to support 90 full-time vacant positions.									
Federal Funds				3,500,000	3,500,000		3,800,000	3,800,000	
Project Total				**3,500,000**	**3,500,000**		**3,800,000**	**3,800,000**	
TOTAL ADDITIONAL				**3,500,000**	**3,500,000**		**3,800,000**	**3,800,000**	

DISABILITY DETERMINATION SERVICES

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium 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 $65,262,416 and Restricted Funds appropriations by $8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of $42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium 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 salary increments, retirement, health insurance, and personnel complement.

HOUSE REPORT

The House concurs with the Branch.

SENATE REPORT

The Senate concurs with the House.

Disability Determination Services

	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
II. CAPITAL PROJECTS									
1 Franklin County - Lease									
PRJ726D5000									
General Fund									
Project Total									
TOTAL CAPITAL									

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H - Health and Family Services Cabinet — Operating Budget

Community Based Services

	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 (Tobacco)	8,470,400	8,470,400		8,970,400	8,970,400		9,220,400	9,220,400	
General Fund	346,147,200	346,147,200		349,035,500	346,147,200	(2,888,300)	354,576,900	350,145,700	(4,431,200)
Restricted Funds	137,207,200	137,207,200		141,311,600	141,311,600		143,498,700	143,498,700	
Federal Funds	528,851,600	528,851,600		533,312,100	533,312,100		536,884,300	536,884,300	
Regular Total Funds	**1,020,676,400**	**1,020,676,400**		**1,032,629,600**	**1,029,741,300**	**(2,888,300)**	**1,044,180,300**	**1,039,749,100**	**(4,431,200)**
Use of Continuing	1,200,400	1,200,400							
TOTAL FUNDS	**1,021,876,800**	**1,021,876,800**		**1,032,629,600**	**1,029,741,300**	**(2,888,300)**	**1,044,180,300**	**1,039,749,100**	**(4,431,200)**
II. EXPENDITURE CATEGORY									
Personnel Costs	260,343,200	260,343,200		267,049,700	267,049,700		275,297,500	275,297,500	
Operating Expenses	42,292,700	42,292,700		40,921,000	40,921,000		40,921,700	40,921,700	
Grants, Loans, Benefits	718,855,900	718,855,900		724,658,900	721,770,600	(2,888,300)	727,870,100	723,438,900	(4,431,200)
Debt Service	385,000	385,000					91,000	91,000	
TOTAL EXPENDITURES	**1,021,876,800**	**1,021,876,800**		**1,032,629,600**	**1,029,741,300**	**(2,888,300)**	**1,044,180,300**	**1,039,749,100**	**(4,431,200)**
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund (Tobacco)	8,470,400	8,470,400		8,970,400	8,970,400		9,220,400	9,220,400	
General Fund	346,147,200	346,147,200		348,935,500	346,147,200	(2,788,300)	354,385,900	350,054,700	(4,331,200)
Restricted Funds	137,207,200	137,207,200		141,311,600	141,311,600		143,498,700	143,498,700	
Federal Funds	528,851,600	528,851,600		533,312,100	533,312,100		536,884,300	536,884,300	
Regular Total Funds	**1,020,676,400**	**1,020,676,400**		**1,032,529,600**	**1,029,741,300**	**(2,788,300)**	**1,043,989,300**	**1,039,658,100**	**(4,331,200)**
Use of Continuing	1,200,400	1,200,400							
TOTAL BASE LEVEL	**1,021,876,800**	**1,021,876,800**		**1,032,529,600**	**1,029,741,300**	**(2,788,300)**	**1,043,989,300**	**1,039,658,100**	**(4,331,200)**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				100,000		(100,000)	191,000	91,000	(100,000)
TOTAL ADDITIONAL				**100,000**		**(100,000)**	**191,000**	**91,000**	**(100,000)**
V. ADDITIONAL BUDGET ITEMS									
1 NEW Debt Service									
ABR736Z0016 Provide funds to support debt service for a $2,000,000 bond issue for Brooklawn Child and Family Services.									
General Fund							91,000	91,000	
Project Total							**91,000**	**91,000**	

Community Based Services

	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
2 NEW Kentucky Center for Youth Policy									
ABR736Z0017 Provide funds to establish the Kentucky Center for Youth Policy.									
General Fund				100,000		(100,000)	100,000		(100,000)
Project Total				**100,000**		**(100,000)**	**100,000**		**(100,000)**
TOTAL ADDITIONAL				**100,000**		**(100,000)**	**191,000**	**91,000**	**(100,000)**

TRANSFERS TO THE GENERAL FUND		
Community Based Services		
Agency Revenue Fund (KRS 186.040(5))	43,000	43,000
TOTAL	**43,000**	**43,000**

COMMUNITY BASED SERVICES

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium 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 $65,262,416 and Restricted Funds appropriations by $8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of $42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium 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 salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Community Based Services, Restricted Funds of $43,000 in fiscal year 2007-2008.

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

"**Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is $8,970,400 in fiscal year 2008-2009 and $9,220,400 in fiscal year 2009-2010 for the Early Childhood Development Program."

"**Debt Service:** Included in the above General Fund appropriation is $91,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes a language provision as follows relating to a $2 million bond issue for Brooklawn Child and Family Services:

"**Permitted Uses:** The above appropriation shall be used to purchase, build, renovate, or make improvements for residential housing of children who are in or have completed the treatment program."

HOUSE REPORT

The House concurs with the Branch with the following changes:

COMMUNITY BASED SERVICES

The House provides $21,689,400 in General Fund support, $2,684,100 in Restricted Funds and $836,100 in Federal Funds in fiscal year 2008-2009 and $23,854,000 in General Fund support, $2,684,100 in Restricted Funds and $836,100 in Federal Funds to restore Branch base reductions and continue current services and reimbursement rates.

The House adds a Part I, Operating Budget, language provision as follows:

"Kentucky Center for Youth Policy: Included in the above appropriation is $100,000 in General Fund support in each fiscal year for the Kentucky Center for Youth Policy."

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate reduces the Part I, Operating Budget, General Fund support provided to restore Branch base reductions by $2,788,300 in fiscal year 2008-2009 and $4,331,200 in fiscal year 2009-2010.

The Senate deletes the Part I, Operating Budget, General Fund support totaling $100,000 in each fiscal year for the Kentucky Center for Youth Policy.

The Senate adds a Part I, Operating Budget, language provision relating to private child care provider reimbursement rates as follows:

"Private Child Care Reimbursement Rates: Included in the above appropriation is $3,800,000 in General Fund moneys, $2,684,100 in Restricted Funds, and $836,100 in Federal Funds in each fiscal year to continue private child care provider fiscal year 2007-2008 reimbursement rates."

H - Health and Family Services Cabinet — Capital Budget

Community Based Services

	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				2,000,000	2,000,000				
TOTAL CAPITAL				**2,000,000**	**2,000,000**				
II. CAPITAL PROJECTS									
1 Brooklawn Child and Family Services									
PRJ736Z5012									
Bond Funds				2,000,000	2,000,000				
Project Total				**2,000,000**	**2,000,000**				
2 Boone County - Lease									
PRJ736Z5011									
General Fund									
Project Total									
3 Boyd County - Lease									
PRJ736Z5010									
General Fund									
Project Total									
4 Johnson County - Lease									
PRJ736Z5009									
General Fund									
Project Total									
5 Fayette County - Lease - Centre Parkway									
PRJ736Z5008									
General Fund									
Project Total									
6 Shelby County - Lease									
PRJ736Z5007									
General Fund									
Project Total									

H - Health and Family Services Cabinet **Capital Budget**

Community Based Services

		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
7	**Jefferson County - Lease**									
PRJ736Z5006										
General Fund										
Project Total										
8	**Fayette County - Lease**									
PRJ736Z5005										
General Fund										
Project Total										
9	**Kenton County - Lease - Madison Avenue**									
PRJ736Z5004										
General Fund										
Project Total										
10	**Hardin County - Lease**									
PRJ736Z5003										
General Fund										
Project Total										
11	**Campbell County - Lease**									
PRJ736Z5002										
General Fund										
Project Total										
12	**Warren County - Lease**									
PRJ736Z5001										
General Fund										
Project Total										
13	**Kenton County - Lease**									
PRJ736Z5000										
General Fund										
Project Total										
TOTAL CAPITAL					**2,000,000**	**2,000,000**				

H - Health and Family Services Cabinet — Operating Budget

Aging and Independent Living

	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	32,965,900	32,965,900		32,878,100	32,878,100		32,914,800	32,914,800	
Restricted Funds	11,139,600	11,139,600		2,515,600	2,515,600		2,515,600	2,515,600	
Federal Funds	21,016,500	21,016,500		20,337,000	20,337,000		20,375,000	20,375,000	
Regular Total Funds	**65,122,000**	**65,122,000**		**55,730,700**	**55,730,700**		**55,805,400**	**55,805,400**	
Use of Continuing									
TOTAL FUNDS	**65,122,000**	**65,122,000**		**55,730,700**	**55,730,700**		**55,805,400**	**55,805,400**	
II. EXPENDITURE CATEGORY									
Personnel Costs	2,127,100	2,127,100		1,976,300	1,976,300		2,039,100	2,039,100	
Operating Expenses	219,500	219,500		198,600	198,600		198,600	198,600	
Grants, Loans, Benefits	62,775,400	62,775,400		53,555,800	53,555,800		53,567,700	53,567,700	
TOTAL EXPENDITURES	**65,122,000**	**65,122,000**		**55,730,700**	**55,730,700**		**55,805,400**	**55,805,400**	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	32,965,900	32,965,900		32,878,100	32,878,100		32,914,800	32,914,800	
Restricted Funds	11,139,600	11,139,600		2,515,600	2,515,600		2,515,600	2,515,600	
Federal Funds	21,016,500	21,016,500		20,337,000	20,337,000		20,375,000	20,375,000	
Regular Total Funds	**65,122,000**	**65,122,000**		**55,730,700**	**55,730,700**		**55,805,400**	**55,805,400**	
Use of Continuing									
TOTAL BASE LEVEL	**65,122,000**	**65,122,000**		**55,730,700**	**55,730,700**		**55,805,400**	**55,805,400**	

AGING AND INDEPENDENT LIVING

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium 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 $65,262,416 and Restricted Funds appropriations by $8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of $42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium 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 salary increments, retirement, health insurance, and personnel complement.

HOUSE REPORT

The House concurs with the Branch with the following change:

The House provides $2,900,000 in General Fund support in each fiscal year to restore the Branch budget reduction and continue current services.

SENATE REPORT

The Senate concurs with the House.