

50 Years

Office of State Grants

Line-Item Appropriations

Fiscal Years 2026-2028

TEAM
KENTUCKY®

DEPARTMENT FOR
LOCAL GOVERNMENT

Office of State Grants Staff

- Mark Williams, Executive Director
- Laura Redmon, Budget Manager
- Aaron Jones, Branch Manager
- Troy Shrout, Budget Specialist
- Jessica Wagoner, Local Government Advisor
- Lisa Dale, Local Government Advisor

2026 Legislative Regular Session

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Line-Item Appropriations Bills

- ❑ House Bill 900 (Chapter 142)
- ❑ Senate Bill 197 (Chapter 202)
 - One-time allocations for biennium fiscal years FY 26-28.
 - General Fund monies from the Budget Reserve Trust Fund
 - Separate from House Bill 500 (Budget Bill)

House Bill 900 (HB 900) Line-Item

Appropriations

AN ACT relating to government agencies, making an appropriation therefor, and declaring an emergency. Be it enacted by the General Assembly of the Commonwealth of Kentucky:

- ❑ Section 1. Pursuant to KRS 141.020(2)(a)2.d., the appropriations contained in this Act are supported solely by funds from the Budget Reserve Trust Fund Account established by KRS 48.705 and shall not be identified as GF appropriations when certifying the reduction conditions pursuant to KRS 141.020(2)(b) and (c).
- ❑ HB900 & SB197 - **\$451,828,900.00**

House Bill 900 (HB 900) Line-Item Appropriations

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Types of Recipient Entities

- ☐ City
- ☐ County
- ☐ Special Purpose Government Entity / Quasi-Government
- ☐ Non-Profit Entity

House Bill 900 (HB 900) Line-Item **Appropriations**

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Types of Line-Item Appropriation Activities

- To support the “specific name of” project.
- To support upgrades and enhancements.
- To support ongoing operations and additional programming.
- To support upgrades and equipment.
- To support economic initiatives.
- To provide the match for a federal grant.
- To construct a facility/complex.
- For various projects.

House Bill 900 (HB 900) Line-Item Appropriations

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Allocation Timelines

- ❑ **Fiscal Year 2026-2027.**
- ❑ **Fiscal Year 2027-2028.**
- ❑ **Each fiscal year 2026-2028.**
 - Funding allocations for each fiscal year must be disbursed by June 30th of each designated fiscal year, or the funds lapse.
 - Project activity does **NOT** have to be completed by end of the fiscal year.
 - Funding can be paid up front or may be a reimbursement.

Senate Bill 197 (SB 197) Line-Item Appropriations

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❑ **SB 197 – an extension of HB 900 Appropriation Bill.**

- 2026 Regular Session HB 900/VO, Section...
- Bold text and strikethrough.
- Amends appropriation amount.
- Amends the recipient.
- Amends project activity.
- Amends allocation timeline.

❑ **SB 197 Line-Item Appropriations**

Line-Item Appropriations

Types of Appropriation per Legislation

- House Bill 900
- House Bill 900, as amended by Senate Bill 197
- Senate Bill 197
- House Bill 500 (Budget Bill)

Line-Item Appropriation Access Funding

Application Process

- Applications accepted year-round (Finance & Administration Cabinet OPS Deadline for each fiscal year is **May 1st**).
- Required Correspondence:
 - 1) Appropriation Award Notification Letter**
 - 2) Authorizing Resolution**
 - 3) Project Scope & Budget**
 - 4) 501(c)3 organization determination letter from the Internal Revenue Service.**
- Applications may be submitted via email to **Lisa Dale**: lisa.dale@ky.gov
- Application forms can be located on DLG's website:
<https://dlg.ky.gov/grants/state/Pages/default.aspx>

Line-Item Appropriation Access Funding

- Memorandum of Agreement (MOA) is issued after all required application items are received.
- MOA's are sent electronically via email to designated SPGE recipient.
- Require signature from recipient CEO and counsel (if applicable).
- Return signed MOA to DLG electronically via email, DLG Counsel and Commissioner add signatures.
- DLG submits executed MOA to Finance & Administration Cabinet for final approval (5-7 business days).
- DLG sends final approved MOA and RFD form.
- Upon receipt of signed RFD form, DLG issues funding.

Line-Item Appropriation Request for Disbursement

- Request for Disbursement (RFD) form sent electronically via with copy of final MOA.
- RFD form is completed – only requires signature.
- Requires signature from CEO or designated signatory on behalf of Recipient Entity.
- Return signed RFD along with any additional documentation.
- **RFD may be submitted via email to Lisa Dale:** lisa.dale@ky.gov
- Funds may be used up front or reimbursement.

Line-Item Appropriation Quarterly Reports

- Quarterly Reports (QR) are due on the 30th of the month following the end of each quarter period.
 - 1st Quarter (July-September) Due October 30th
 - 2nd Quarter (October-December) Due January 30th
 - 3rd Quarter (January-March) Due April 30th
 - 4th Quarter (April-June) Due July 30th
- Purpose is to ensure disbursement reporting is consistent with expenditures and financial accounting documentation remain accurate and updated for active projects.
- Required for all active projects (even if funds have not been used).
- QR may be submitted via email to **Lisa Dale**: lisa.dale@ky.gov.

Line-Item Appropriation FAQ

- Local government recipients must follow local and state procurement laws (even if serving as a pass through).
- Funds may be deposited in an interest-bearing account.
- Interest must be expended on the intended scope of work.
- Funds shall not be deposited in an investment account.
- It is suggested to set up a separate project account.
- Not required to be a reimbursement.
- Project activity may begin before executing MOA with DLG.
- Project activity does not have to be completed by the end of fiscal year allocation, but funds must be disbursed.

Questions?

Office of State Grants
Department for Local Government
100 Airport Road, 3rd Floor
Frankfort, Kentucky 40601
(502) 573-2382 or (800) 346-5606

<https://dlg.ky.gov/grants/state/Pages/default.aspx>