

**Department of
Rural and Municipal Aid**

KYTC

**Update on Revenue Sharing
BR Subcommittee on Transportation**





What has Rural and Municipal Aid accomplished in FY 2021, so far?

COUNTY ROAD AID - \$106,540,319.00

MUNICIPAL ROAD AID - \$9,724,046.00

RURAL SECONDARY CONSTRUCTION - \$77,893,876.00

FLEX - \$20,983,212.00

80/20 - \$12,409,275.00

COUNTY ROAD AID EMERGENCY FUNDS - \$4,622,614.00

MUNICIPAL ROAD AID EMERGENCY FUNDS - \$647,800.00

DISCRETIONARY FUNDING - \$21,641,668.60

TOTAL PROCESSED ROAD AID - \$254,462,810.60

(from 7/1/2021 through 4/12/2021)

The Office of Rural and Secondary Roads

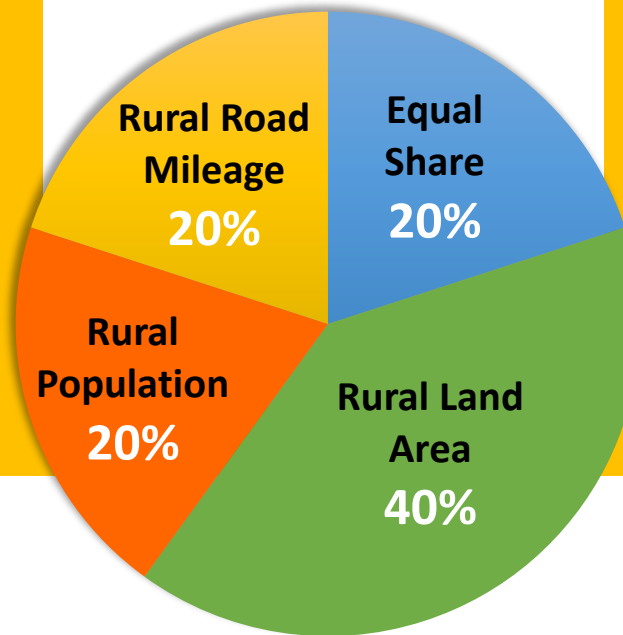


REVENUE SHARE BREAKDOWN

RURAL SECONDARY ALLOTMENT

- KRS 177.320
- 22.2% of motor fuel tax
- Allocations established by Fifths Formula
- 3% allocated for administrative costs
- Up to 6% allocated for RS emergency account

Formula of the Fifths



COUNTY ROAD AID ALLOTMENT

- KRS 177.320
- 18.3% of the motor fuel tax for county roads
- Allocations to counties established by Fifths Formula
- Used for construction, reconstruction and the maintenance of county roads
- 3% allocated to the county emergency account



MUNICIPAL ROAD AID ALLOTMENT

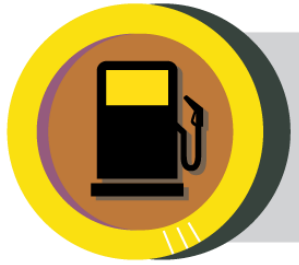
KRS 177.36 & 177.366

7.7% of the motor fuel tax for urban roads and streets

Allotment per city determined by population

Used for construction, reconstruction and maintenance of city streets

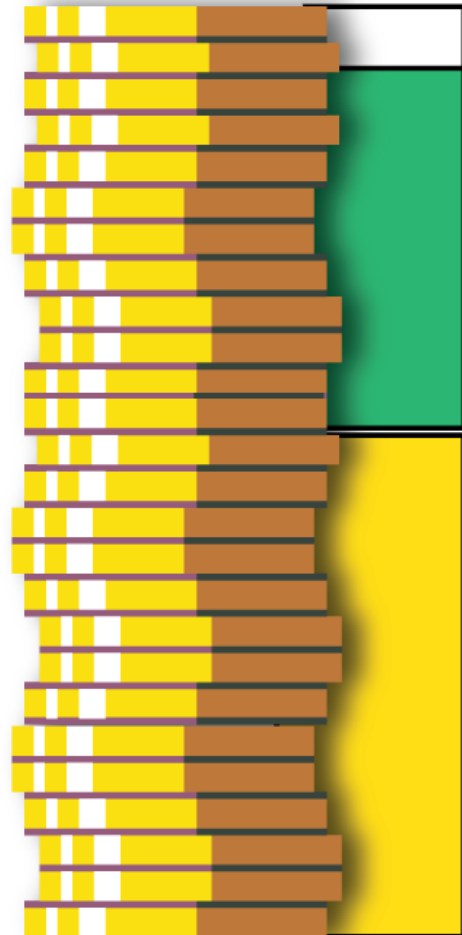
3% allocated to the municipal emergency account



26 cents per gallon (cpg)
(1 cent per gallon = \$30 million)

MOTOR FUELS TAX RECEIPTS STATUTORY REVENUE SHARING

(FY22 TENTATIVE ALLOCATIONS UPDATED – CFG ROAD FUND ESTIMATE)



**Petroleum Storage
Tank Fund = 1.4 cpg (\$42 Million)**

Rural Secondary Road Aid – 22.2% (CB06) = \$156,557,200

Retained by KYTC for use on state rural secondary routes in specific counties

County Road Aid – 18.3% (CA01) = \$129,053,900

To be sent to Counties

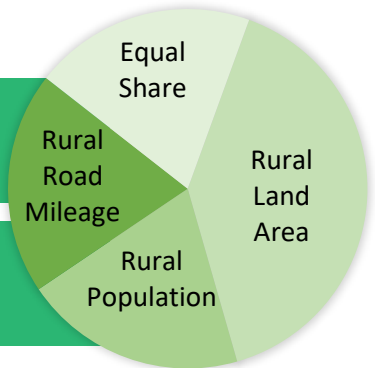
Municipal Road Aid – 7.7% (CC01) = \$54,301,300

To be sent to Cities

To the Road Fund for use by KYTC -

Combined with other Road Fund revenue sources to be
expended by state

Formula of the Fifths



FUNDING BREAKDOWN - EMERGENCY FUNDING

RURAL SECONDARY

(KRS 177.320) 22.2% (CB06) = \$156,557,200

RS EMERGENCY FUND

(CB01)

Up to 6%

Funding allotment (90%)
(10% set aside)

**INITIAL
DISTRIBUTION**
(breakdown on
next page)

**State
Emergencies**
on Rural
Secondary Roads
(½ of 6%)

**80/20
BRIDGE
PROGRAM**
(½ of 6%)

District Offices

Emergency requests are submitted to the Office of Rural and Secondary Roads (ORSR). Currently processing on an as needed basis.

COUNTIES

80/20 Bridge recommendations sent to the ORSR. Request is reviewed for available funding, and eligibility. A need assessment concurrence from the District is obtained.

COUNTY ROAD AID

KRS 177.320

18.3% in Cooperative Program
(CA02)

= \$129,053,900

COUNTY EMERGENCY FUND (CA03)

3%

Funding is allotted based on need and
a first come, first serve basis.
= \$3,830,449

COUNTIES

Submit a County Emergency Request Form.
The ORSR reviews for eligibility and
determines available funding. Submits for
approval.

MUNICIPAL ROAD AID

KRS 177.36 & 177.366

7.7% - Cities in Cooperative
Program (CC02)

= \$54,301,300

MUNICIPAL EMERGENCY FUND (CC03)

3%

Funding is allotted based on need and
a first come, first serve basis.
= \$367,061

CITIES

Submit a Municipal Emergency Request
Form. The ORSR reviews for eligibility and
determines available funding. Submits for
approval.

**** All programs are subject to receive additional funding due to carry forward amounts from year to year.***

RURAL SECONDARY FUNDING BREAKDOWN

FUNDING DERIVED FROM THE RS INITIAL DISTRIBUTION (CB06)

1

MAINTENANCE & TRAFFIC

On Rural Secondary Roads
\$57,699,700

District Offices

Responsible for addressing maintenance needs in each county on the Rural Secondary Roads.

Maintenance derived from schedules and work as needed.

Percentage of funding derived from yearly data in the Operating Management System (OMS) and District input.

2

COUNTY JUDGE EXECUTIVE

Stipend
= \$307,448

\$2,584
Yearly stipend to each judge. (Excludes Jefferson CJE)

3

RURAL SECONDARY LETTINGS

RS Road Projects – County
= \$75,470,115

District Offices

Meet with each County Judge Executive to propose the RS roads in their county the State would like to resurface that year.

Roads are based on data, RS road schedule for resurfacing and need assessment.

Roads are presented before the Fiscal Court and approved or denied.

Once approved, projects are submitted to the ORSR.

Projects then go through the KYTC RS Letting at the beginning of each fiscal year.

Funding derived from the Initial Dist. Plus any carryforward, less the M&T allotment, CJ/E stipend and Flex Funds.

4

FLEX FUNDS

Resurfacing on county roads
= \$26,461,104

KYTC DIVISION OF MAINTENANCE

Operations and Pavement Management conducts a level of service (LOS) ranking on Rural Secondary roads.

LOS RANKING CRITERIA INCLUDES:

- Rideability
- Appearance
- Visual Obstructions
- Fencing
- Guardrail
- Vertical Clearance
- Potholes
- Striping
- Signs
- Drop Offs
- Curb /Gutter
- Rutting, etc.

RS LOS RANKING TIERS


- **GRADE A = 25%**
- **GRADE B = 20%**
- **GRADE C = 15%**
- **GRADE D = 10%**

The better the condition of the RS roads, the higher the % of funds the county will receive.

Grade / Percentage equal amount taken from the initial distribution set aside for county 'Flex Fund' allocation.

Each County applies for use of their Flex Funds on a yearly basis. County discretion on which county roads they submit.

*includes carry forward amount



RS COOPERATIVE PROGRAM



COUNTY AND MUNICIPAL ROAD AID PROGRAM



Road Aid funds are allocated annually for construction and maintenance of your roads.

There are two ways to receive Road Aid funds:

- 1) Monthly through the Kentucky Department for Local Government (DLG), OR
- 2) Join the ORSR Cooperative Program – ***Distribution will be on 60-30-10 schedule***

***Agreements are being sent out as we speak and should be sent back ASAP

IF YOU JOIN THE ORSR COOPERATIVE PROGRAM YOU WILL BE ELIGIBLE FOR EMERGENCY FUNDING

The Emergency Fund



THE COUNTY/MUNICIPAL EMERGENCY FUND

3%

The 3% withheld from each cooperative participating county or city's road aid allocation is placed into the County or Municipal Emergency Road Aid Fund. Counties and Cities can apply for funding assistance on emergency projects throughout the year.

80/20 Match


The funding process for CRA & MRA Emergency projects is an 80/20 match program meaning the state pays up to 80% of approved total project cost and the local government entity is responsible for 20%.



EMERGENCY REQUEST: TC 20-16

Submit along with:

- Pictures
- Detailed cost estimate
- You can submit drainage structures under this program if your project meets the following:
 - Closed structure
 - Posting load lowered and no longer allows school buses or first responders to cross
 - One way in or out

 KENTUCKY TRANSPORTATION CABINET Department of Rural and Municipal Aid OFFICE OF RURAL AND SECONDARY ROADS				TC 20-16 Rev. 08/2019 Page 1 of 1	
MUNICIPAL AND COUNTY ROAD AID EMERGENCY REQUEST (Complete one request per location.)					
SECTION 1: CITY/COUNTY INFORMATION					
CITY	MAYOR	COUNTY	JUDGE		
CONTACT PERSON	EMAIL ADDRESS		PHONE	FAX	
ADDRESS (street)	CITY		STATE	ZIP	
SECTION 2: PROJECT LOCATION & NATURE OF REQUEST					
STREET/ROAD NAME			STREET/ROAD NUMBER		
PROJECT LOCATION (name of nearest intersecting road <u>and</u> distance from project)			BEGINNING MILE POINT	LENGTH OF PROJECT	
NARRATIVE OF EMERGENCY REQUEST (Explain in detail the nature of the emergency request.)					
Does the emergency for which aid is requested fall within an Emergency Declaration? <input type="checkbox"/> Yes <input type="checkbox"/> No					
If yes, indicate the type of declaration. <input type="checkbox"/> Statewide <input type="checkbox"/> Countywide					
Date of Declaration: ____ / ____ / ____ MM DD YYYY					
Concerning this request, have you applied for FEMA assistance? <input type="checkbox"/> Yes <input type="checkbox"/> No					
If yes, have you been awarded a funding grant? <input type="checkbox"/> Yes <input type="checkbox"/> No					
If yes, provide the amount awarded. \$ ____					
TOTAL PROJECT COST ESTIMATE: \$ ____					
SECTION 3: PRIOR PROJECT REQUESTED (Use additional sheets if needed.)					
ROAD NAME & NUMBER	TYPE OF WORK		COMPLETED <input type="checkbox"/> YES <input type="checkbox"/> NO		
TOTAL SPENT: \$ ____					



DISCRETIONARY FUNDING



DISCRETIONARY FUNDING (FD39)



The Discretionary Fund, also known as the Highway Contingency Account (FD39), is administered by the Department of Rural and Municipal Aid.

- This fund receives an annual allocation of funds from the budget adopted by the legislature. For FY 2021 the initial amount allocated was \$16.6 million – \$1.6 of which goes to Short-Line Railroad assistance and \$5 million of which goes to the Kentucky Pride Fund leaving the DRMA \$10 million to assist with your needs. **Note: An additional 10 million was added in HB193 by the Legislature for FY 2021.**
- Comparatively, the amount allocated in the previous 4 years was \$31,000,000 (net of \$24,400,000) – a decrease of \$14,400,000.

DISCRETIONARY FUNDING (FD39)



- Discretionary Funding may be used for transportation projects across the Commonwealth, such as:
 - Resurfacing,
 - Bridge replacement,
 - Intersection reconstruction
 - Economic and Industrial Development Projects
 - Safety/Emergency Issues, etc.

DISCRETIONARY FUNDING (FD39)



- Discretionary Funding projects require a higher threshold of need outside what is met through other Cabinet/Department programs.

- **IMPORTANT NOTE:**

You should exhaust other ORSR funding options first.

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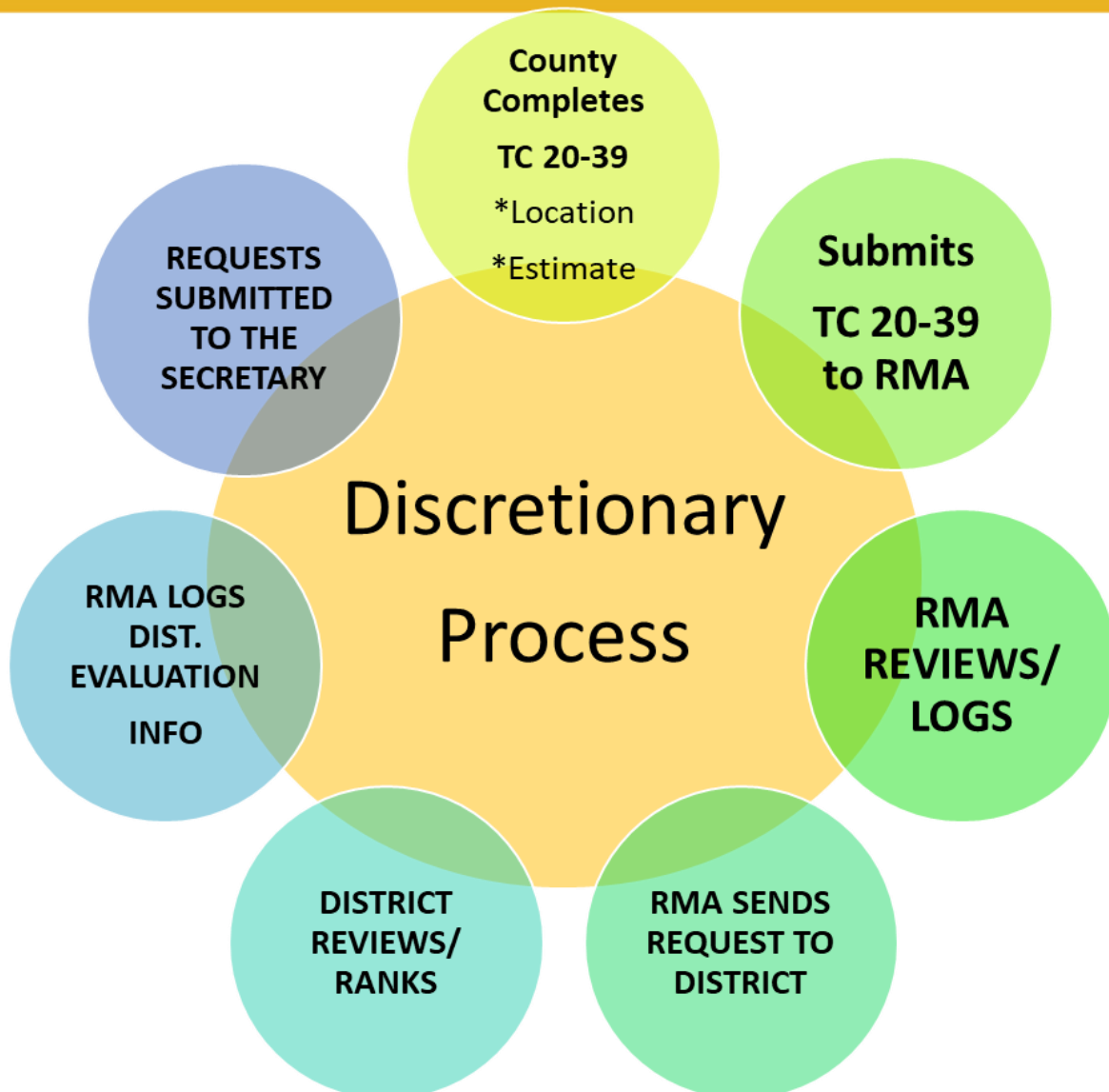
DISCRETIONARY FUNDING (FD39)



When does a project qualify for Discretionary Funding under statutory requirements?

- 1) Project presents a hazardous condition as assessed by the Chief District Engineer's Offices of your district;
- 2) Project promotes economic or industrial development, and/or;
- 3) Project is related to Safety/Emergency issues.

Discretionary Process



- **Who can apply?** County Judge Executive, Mayor, State Representative or State Senator, and select state road personnel
- Please Use the mile point assistance map to provide accurate road names, numbers and location.
- **MUST** include a cost estimate
- May be submitted via email, snail mail or hand carried
- Once DRMA receives the application (TC 20-39), logs and determines adequate info is provided, the District applies the need assessment

QUESTIONS?

CONTACT INFORMATION

DEPARTMENT OF RURAL AND MUNICIPAL AID

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All information can be found on our website:

WWW.TRANSPORTATION.KY.GOV

THE KENTUCKY TRANSPORTATION CABINET