

1 AN ACT relating to appropriations providing financing and conditions for the
2 operations, maintenance, support, and functioning of the Transportation Cabinet of the
3 Commonwealth of Kentucky.

4 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

5 ➔Section 1. The Transportation Cabinet Budget is as follows:

6 **PART I**

7 **OPERATING BUDGET**

8 **(1) Funds Appropriations:** There is appropriated out of the General Fund, Road
9 Fund, Restricted Funds accounts, Federal Funds accounts, or Bond Funds accounts for the
10 fiscal year beginning July 1, 2017, and ending June 30, 2018, for the fiscal year beginning
11 July 1, 2018, and ending June 30, 2019, and for the fiscal year beginning July 1, 2019,
12 and ending June 30, 2020, the following discrete sums, or so much thereof as may be
13 necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each
14 appropriation is made by source of respective fund or funds accounts. Appropriations for
15 the budget units of the Transportation Cabinet are subject to the provisions of Chapters
16 12, 42, 45, and 48 of the Kentucky Revised Statutes and compliance with the conditions
17 and procedures set forth in this Act.

18 **A. TRANSPORTATION CABINET**

19 **Budget Units**

20 **1. GENERAL ADMINISTRATION AND SUPPORT**

	2018-19	2019-20
21		
22 General Fund	500,000	500,000
23 Restricted Funds	2,336,300	2,353,900
24 Road Fund	80,814,900	81,193,100
25 TOTAL	83,651,200	84,047,000

26 **(1) Biennial Highway Construction Plan:** The Secretary of the Transportation
27 Cabinet shall produce a single document that contains two separately identified sections,

1 as follows:

2 Section 1 shall detail the enacted fiscal biennium 2018-2020 Biennial Highway
3 Construction Program and Section 2 shall detail the 2018-2020 Highway Preconstruction
4 Program Plan for fiscal year 2018-2019 through fiscal year 2023-2024 as identified by the
5 2018 General Assembly. This document shall mirror in data type and format the fiscal
6 year 2018-2024 Recommended Six-Year Road Plan as submitted to the 2018 General
7 Assembly. The document shall be published and distributed to members of the General
8 Assembly and the public within 60 days of adjournment of the 2018 Regular Session of
9 the General Assembly.

10 (2) **Debt Service:** Included in the above Road Fund appropriation is \$7,107,800
11 in fiscal year 2018-2019 and \$7,112,200 in fiscal year 2019-2020 for debt service on
12 previously authorized bonds.

13 (3) **Adopt-A-Highway Litter Program:** The Transportation Cabinet and the
14 Energy and Environment Cabinet may receive, accept, and solicit grants, contributions of
15 money, property, labor, or other things of value from any governmental agency,
16 individual, nonprofit organization, or private business to be used for the Adopt-a-
17 Highway Litter Program or other statewide litter programs. Any contribution of this
18 nature shall be deemed to be a contribution to a state agency for a public purpose and
19 shall be treated as Restricted Funds under KRS Chapter 45 and reported according to
20 KRS Chapter 48, and shall not be subject to restrictions set forth under KRS Chapter
21 11A.

22 (4) **SAFE Patrol Program:** The Transportation Cabinet shall continue the SAFE
23 Patrol Program at the current service level. The primary mission of the Cabinet's SAFE
24 Patrol shall be motorist assistance. The SAFE Patrol shall be restricted to providing only
25 assistance services on interstates, parkways, and other limited-access highways.

26 (5) **Riverport Improvements:** Included in the above General Fund appropriation
27 is \$500,000 in each fiscal year to improve public riverports within Kentucky.

1 Improvements shall be limited to dredging and maintenance of access. The Secretary of
 2 the Transportation Cabinet, in conjunction with the Kentucky Water Transportation
 3 Advisory Board, shall determine how the funds are distributed.

4 **2. AVIATION**

	2018-19	2019-20
5		
6 General Fund	9,375,000	9,375,000
7 Restricted Funds	9,763,400	9,615,100
8 Federal Funds	213,700	213,700
9 Road Fund	2,779,600	2,789,000
10 TOTAL	22,131,700	21,992,800

11 **(1) Operational Costs:** Notwithstanding KRS 183.525(5), the above Restricted
 12 Funds appropriation includes operational costs of the program in each fiscal year.

13 **(2) Debt Service:** Included in the above Road Fund appropriation is \$1,830,600
 14 in fiscal year 2018-2019 and \$1,829,800 in fiscal year 2019-2020 for debt service on
 15 previously authorized bonds. Notwithstanding KRS 183.525, \$1,830,600 in fiscal year
 16 2018-2019 and \$1,829,800 in fiscal year 2019-2020 is transferred to the Road Fund from
 17 the Kentucky Aviation Economic Development Fund to support debt service on those
 18 bonds.

19 **(3) Aviation Supported Construction:** Included in the above General Fund
 20 appropriation is \$9,375,000 in each fiscal year for aviation economic development to
 21 support the development, rehabilitation, and maintenance of publicly owned or operated
 22 aviation facilities.

23 **3. DEBT SERVICE**

	2018-19	2019-20
24		
25 Road Fund	160,014,400	150,097,400

26 **(1) Economic Development Road Lease-Rental Payments:** Included in the
 27 above Road Fund appropriation is \$159,964,400 in fiscal year 2018-2019 and

1 \$150,047,400 in fiscal year 2019-2020 for Economic Development Road lease-rental
 2 payments relating to projects financed by Economic Development Road Revenue Bonds
 3 previously authorized by the General Assembly and issued by the Kentucky Turnpike
 4 Authority.

5 **(2) Debt Payment Acceleration Fund Account:** Notwithstanding KRS 175.505,
 6 no portion of the revenues to the state Road Fund provided by the adjustments in KRS
 7 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment
 8 Acceleration Fund account during the 2018-2020 fiscal biennium.

9 **(3) Excess Lease-Rental Payments:** Any moneys not required to meet lease-
 10 rental payments or to meet the administrative costs of the Kentucky Turnpike Authority
 11 shall be transferred to the State Construction Account.

12 **4. HIGHWAYS**

	2018-19	2019-20
14 Restricted Funds	113,329,900	113,199,900
15 Federal Funds	734,670,300	735,446,300
16 Road Fund	806,608,700	796,751,000
17 TOTAL	1,654,608,900	1,645,397,200

18 **(1) Debt Service:** Included in the above Federal Funds appropriation is
 19 \$95,240,600 in fiscal year 2018-2019 and \$95,141,400 in fiscal year 2019-2020 for debt
 20 service on Grant Anticipation Revenue Vehicle (GARVEE) Bonds previously
 21 appropriated by the General Assembly.

22 **(2) State Supported Construction Program:** Included in the above Road Fund
 23 appropriation is \$346,067,000 in fiscal year 2018-2019 and \$289,495,500 in fiscal year
 24 2019-2020 for the State Supported Construction Program.

25 **(3) Biennial Highway Construction Program:** Included in the State Supported
 26 Construction Program is \$315,067,000 in fiscal year 2018-2019 and \$258,495,500 in
 27 fiscal year 2019-2020 from the Road Fund for state construction projects in the fiscal

1 biennium 2018-2020 Biennial Highway Construction Program.

2 **(4) Highway Construction Contingency Account:** Included in the State
3 Supported Construction Program is \$31,000,000 in each fiscal year for the Highway
4 Construction Contingency Account. Notwithstanding KRS 224.43-505(2)(d), included in
5 the Highway Construction Contingency Account is \$5,000,000 in each fiscal year to
6 support the Kentucky Pride Fund created in KRS 224.43-505. Notwithstanding KRS
7 45.247 and 177.320(4), included in the Highway Construction Contingency Account is
8 \$290,000 in each fiscal year for the Kentucky Transportation Center. Also included in the
9 Highway Construction Contingency Account for Shortline Railroads is \$1,600,000 in
10 each fiscal year for public safety and service improvements which shall not be expended
11 unless matched with non-state funds equaling at least 20 percent of the total amount for
12 any individual project.

13 **(5) 2016-2018 Biennial Highway Construction Plan:** Projects in the enacted
14 2016-2018 Biennial Highway Construction Plan are authorized to continue their current
15 authorization into the 2018-2020 fiscal biennium. If projects in previously enacted
16 highway construction plans conflict with the 2018-2020 Biennial Highway Construction
17 Plan, the projects in the 2018-2020 Biennial Highway Construction Plan shall control.
18 The Secretary shall make every effort to maintain highway program delivery by adhering
19 to the timeframes included in the 2018-2020 Biennial Highway Construction Plan for
20 those projects.

21 **(6) State Match Provisions:** The Transportation Cabinet is authorized to utilize
22 state construction moneys or Toll Credits to match federal highway moneys.

23 **(7) Federal Aid Highway Funds:** It is the intent of the General Assembly that
24 any additional federal highway moneys made available to Kentucky by the United States
25 Congress shall be appropriated by the General Assembly before being utilized by the
26 Transportation Cabinet.

27 **(8) Road Fund Cash Management:** The Secretary of the Transportation Cabinet

1 may continue the Cash Management Plan to address the policy of the General Assembly
2 to expeditiously initiate and complete projects in the fiscal biennium 2018-2020 Biennial
3 Highway Construction Plan. Notwithstanding KRS Chapter 45, specifically including
4 KRS 45.242 and 45.244, the Secretary may concurrently advance projects in the Biennial
5 Highway Construction Plan by employing management techniques that maximize the
6 Cabinet's ability to contract for and effectively administer the project work. Under the
7 approved Cash Management Plan, the Secretary shall continuously ensure that the
8 unspent project and Road Fund balances available to the Transportation Cabinet are
9 sufficient to meet expenditures consistent with appropriations provided. The
10 Transportation Cabinet shall provide quarterly reports to the Interim Joint Committee on
11 Appropriations and Revenue when the General Assembly is not in session and the
12 Standing Committees on Appropriations and Revenue when the General Assembly is in
13 session beginning July 1, 2018.

14 **(9) Carry Forward of Appropriation Balances:** Notwithstanding KRS 45.229,
15 unexpended Road Fund appropriations in the Highways budget unit for the Construction
16 program, the Maintenance program, and the Research program in fiscal year 2017-2018
17 and in fiscal year 2018-2019 shall not lapse but shall carry forward. Unexpended
18 Restricted Funds appropriations in the Highways budget unit for the Construction
19 program, the Maintenance program, the Equipment Services program, and the Research
20 program in fiscal year 2017-2018 and in fiscal year 2018-2019, up to the amount of
21 ending cash balances and unissued Highway and GARVEE Bond Funds, to include any
22 interest income earned on those bond funds, shall not lapse but shall carry forward.
23 Unexpended Federal Funds appropriations in the Highways budget unit for the Research
24 program in fiscal year 2017-2018 and in fiscal year 2018-2019 shall not lapse but shall
25 carry forward.

26 **(10) Federally Supported Construction Program:** Included in the above Federal
27 Funds appropriation is \$617,801,000 in fiscal year 2018-2019 and \$618,833,700 in fiscal

1 year 2019-2020 for federal construction projects.

2 **(11) Highways Maintenance:** Included in the above Highways Road Fund
3 appropriation is \$371,068,100 in fiscal year 2018-2019 and \$364,874,100 in fiscal year
4 2019-2020 for Highways Maintenance. Highways Maintenance positions may be filled to
5 the extent the above funding level and the Highways Maintenance continuing
6 appropriation are sufficient to support those positions.

7 **(12) Delayed Projects Status Report:** The Secretary of the Transportation
8 Cabinet shall report by September 30 of each fiscal year to the Interim Joint Committee
9 on Transportation any project included in the enacted Biennial Highway Construction
10 Plan which has been delayed beyond the fiscal year for which the project was authorized.
11 The report shall include:

- 12 (a) The county name;
- 13 (b) The Transportation Cabinet project identification number;
- 14 (c) The route where the project is located;
- 15 (d) The length of the project;
- 16 (e) A description of the project and the scope of improvement;
- 17 (f) The type of local, state, or federal funds to be used on the project;
- 18 (g) The stage of development for the design, right-of-way, utility, and
19 construction phases;
- 20 (h) The fiscal year in which each phase of the project was scheduled to
21 commence;
- 22 (i) The estimated cost for each phase of the project;
- 23 (j) A detailed description of the circumstances leading to the delay; and
- 24 (k) The same information required in paragraphs (a) to (i) of this subsection for
25 the project or projects advanced with funds initially scheduled for the delayed project.

26 **5. JUDGMENTS**

27 **(1) Payment of Judgments:** Road Fund resources required to pay judgments

1 shall be transferred from the State Construction Account at the time when actual
2 payments must be disbursed from the State Treasury.

3 **6. PUBLIC TRANSPORTATION**

4		2018-19	2019-20
5	General Fund	5,589,000	5,589,000
6	Restricted Funds	775,400	861,900
7	Federal Funds	25,781,600	25,768,300
8	TOTAL	32,146,000	32,219,200

9 **(1) Toll Credits:** The Transportation Cabinet is authorized to maximize, to the
10 extent necessary, the use of Toll Credits to match Federal Funds for transit systems
11 capital grants.

12 **(2) Nonpublic School Transportation:** Included in the above General Fund
13 appropriation is \$3,500,000 in each fiscal year for nonpublic school transportation.

14 **7. REVENUE SHARING**

15		2018-19	2019-20
16	Road Fund	336,345,200	337,318,200

17 **(1) County Road Aid Program:** Included in the above Road Fund appropriation
18 is \$127,056,900 in fiscal year 2018-2019 and \$127,422,900 in fiscal year 2019-2020 for
19 the County Road Aid Program in accordance with KRS 177.320(1) to (3), 179.410,
20 179.415, and 179.440. Notwithstanding KRS 177.320(4), no County Road Aid funds are
21 appropriated to the Highways budget unit for the support of the Kentucky Transportation
22 Center.

23 **(2) Rural Secondary Program:** Included in the above Road Fund appropriation
24 is \$154,134,600 in fiscal year 2018-2019 and \$154,578,600 in fiscal year 2019-2020 for
25 the Rural Secondary Program in accordance with KRS 177.320(1) to (3) and 177.330 to
26 177.360. Notwithstanding KRS 177.320(4), no Rural Secondary funds are appropriated to
27 the Highways budget unit for the support of the Kentucky Transportation Center.

1 **(3) Municipal Road Aid Program:** Included in the above Road Fund
 2 appropriation is \$53,461,100 in fiscal year 2018-2019 and \$53,615,100 in fiscal year
 3 2019-2020 for the Municipal Road Aid Program in accordance with KRS 177.365,
 4 177.366, and 177.369. Notwithstanding KRS 177.320(4), no Municipal Road Aid funds
 5 are appropriated to the Highways budget unit for the support of the Kentucky
 6 Transportation Center.

7 **(4) Energy Recovery Road Fund:** Included in the above Road Fund
 8 appropriation is \$320,000 in fiscal year 2018-2019 and \$320,000 in fiscal year 2019-2020
 9 for the Energy Recovery Road Fund in accordance with KRS 177.977, 177.9771,
 10 177.9772, 177.978, 177.979, and 177.981.

11 **(5) Continuation of the Flex Funds and the 80/20 Bridge Replacement**
 12 **Programs:** The Transportation Cabinet shall continue the Flex Funds and the 80/20
 13 Bridge Replacement Programs within the Rural Secondary Program.

14 **8. VEHICLE REGULATION**

	2018-19	2019-20
15		
16 Restricted Funds	15,346,800	15,435,200
17 Federal Funds	4,634,500	4,637,700
18 Road Fund	30,364,200	27,323,400
19 TOTAL	50,345,500	47,396,300

20 **(1) Debt Service:** Included in the above Road Fund appropriation is \$4,748,800
 21 in fiscal year 2018-2019 and \$1,604,000 in fiscal year 2019-2020 for debt service on
 22 previously authorized bonds.

23 **TOTAL - TRANSPORTATION CABINET**

	2018-19	2019-20
24		
25 General Fund	15,464,000	15,464,000
26 Restricted Funds	141,551,800	141,466,000
27 Federal Funds	765,300,100	766,066,000

1	Road Fund	1,416,927,000	1,395,472,100
2	TOTAL	2,339,242,900	2,318,468,100

3 **PART II**

4 **CAPITAL PROJECTS BUDGET**

5 **(1) Capital Construction Fund Appropriations and Reauthorizations:**

6 Moneys in the Capital Construction Fund are appropriated for the following capital
 7 projects subject to the conditions and procedures in this Act. Items listed without
 8 appropriated amounts are previously authorized for which no additional amount is
 9 required. These items are listed in order to continue their current authorization into the
 10 2018-2020 fiscal biennium. Unless otherwise specified, reauthorized projects shall
 11 conform to the original authorization enacted by the General Assembly.

12 **(2) Expiration of Existing Line-Item Capital Construction Projects:** All

13 appropriations to existing line-item capital construction projects expire on June 30, 2018,
 14 unless reauthorized in this Act with the following exceptions: (a) A construction contract
 15 for the project shall have been awarded by June 30, 2018; (b) Permanent financing or a
 16 short-term line of credit sufficient to cover the total authorized project scope shall have
 17 been obtained in the case of projects authorized for bonds, if the authorized project
 18 completes an initial draw on the line of credit within the biennium immediately
 19 subsequent to the original authorization; and (c) Grant or loan agreements, if applicable,
 20 shall have been finalized and properly signed by all necessary parties. Notwithstanding
 21 the criteria set forth in this subsection, the disposition of 2016-2018 fiscal biennium
 22 nonstatutory appropriated maintenance pools funded from Capital Construction
 23 Investment Income shall remain subject to the provisions of KRS 45.770(5)(c).

24 **(3) Bond Proceeds Investment Income:** Investment income earned from bond

25 proceeds beyond that which is required to satisfy Internal Revenue Service arbitrage
 26 rebates and penalties and excess bond proceeds upon the completion of a bond-financed
 27 capital project shall be used to pay debt service according to the Internal Revenue Service

1 Code and accompanying regulations.

2 (4) **Expiring Debt:** The following amount of previously authorized Bond Funds
 3 shall expire upon passage of this Act: Grant Anticipation Revenue Vehicle (GARVEE)
 4 Bonds for the US-68/KY-80 Lake Barkley and Kentucky Lake Bridges Project
 5 (\$59,500,000) as set forth in 2010 (1st Extra. Sess.) Ky. Acts ch. 3, Part I, A., 4., (18).

6 **A. TRANSPORTATION CABINET**

7 Budget Units	2018-19	2019-20
8 1. GENERAL ADMINISTRATION AND SUPPORT		
9 001. Maintenance Pool - 2018-2020		
10 Road Fund	2,950,000	2,950,000
11 002. Construct Crittenden County Maintenance Facility and Salt Storage		
12 Road Fund	1,850,000	-0-
13 003. Construct Hopkins County Maintenance Facility and Salt Storage		
14 Road Fund	1,800,000	-0-
15 004. Construct Knott County Maintenance Facility and Salt Storage -		
16 Additional Reauthorization (\$1,440,000)		
17 Road Fund	750,000	-0-
18 005. Construct Ballard County Maintenance Facility and Salt Storage -		
19 Reauthorization (\$1,584,000 Road Fund)		
20 2. AVIATION		
21 001. Aircraft Maintenance Pool - 2018-2020		
22 Investment Income	700,000	700,000
23 3. HIGHWAYS		
24 001. Repair Loadometer and Rest Areas - 2018-2020		
25 Road Fund	1,500,000	1,500,000
26 002. Road Maintenance Parks - 2018-2020		
27 Road Fund	1,250,000	1,250,000

1	003. Various Environmental Compliance - 2018-2020		
2	Road Fund	490,000	440,000

3 **004.** Jefferson County - Lease

4 **PART III**

5 **FUNDS TRANSFER**

6 The General Assembly finds that the financial condition of state government
 7 requires the following action.

8 Notwithstanding the statutes or requirements of the Restricted Funds enumerated
 9 below, there is transferred to the General Fund the following amounts in fiscal year 2018-
 10 2019 and fiscal year 2019-2020:

11		2018-19	2019-20
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12 **A. TRANSPORTATION CABINET**

13 **1. Aviation**

14	Agency Revenue Fund	426,100	424,000
15	(KRS 183.525(4) and (5))		

16 **2. Vehicle Regulation**

17	Agency Revenue Fund	4,644,800	4,000,000
18	(KRS 186.040(6)(a))		

19 **3. Vehicle Regulation**

20	Agency Revenue Fund	-0-	2,000,000
21	(KRS 186.040(6)(b))		

22 **4. Vehicle Regulation**

23	Agency Revenue Fund	2,300,000	-0-
24	(KRS 186.240(3))		

25	TOTAL - FUNDS TRANSFER	7,370,900	6,424,000
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26 **PART IV**

27 **TRANSPORTATION CABINET BUDGET SUMMARY**

1	OPERATING BUDGET		
2		2018-19	2019-20
3	General Fund	15,464,000	15,464,000
4	Restricted Funds	141,551,800	141,466,000
5	Federal Funds	765,300,100	766,066,000
6	Road Fund	1,416,927,000	1,395,472,100
7	SUBTOTAL	2,339,242,900	2,318,468,100
8	CAPITAL PROJECTS BUDGET		
9		2018-19	2019-20
10	Road Fund	10,590,000	6,140,000
11	Investment Income	700,000	700,000
12	SUBTOTAL	11,290,000	6,840,000
13	TOTAL - TRANSPORTATION CABINET BUDGET		
14		2018-19	2019-20
15	General Fund	15,464,000	15,464,000
16	Restricted Funds	141,551,800	141,466,000
17	Federal Funds	765,300,100	766,066,000
18	Road Fund	1,427,517,000	1,401,612,100
19	Investment Income	700,000	700,000
20	TOTAL FUNDS	2,350,532,900	2,325,308,100