

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
22 General Fund	468,700	468,700
23 Restricted Funds	2,336,300	2,353,900
24 Road Fund	80,814,900	81,193,100
25 TOTAL	83,619,900	84,015,700

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) Reallocation of Appropriations Among Budget Units:** The Transportation
14 Cabinet shall operate within the appropriations authorized in this Act for each budget unit
15 as prescribed by KRS 48.400 to 48.730, subject to the conditions and procedures stated in
16 this subsection or other Parts of this Act.

17 Notwithstanding any statute to the contrary or provisions of this Act, the Secretary
18 of the Transportation Cabinet may request a reallocation among budget units under his or
19 her administrative authority of appropriations contained in Part I, Operating Budget, of
20 this Act for fiscal years 2018-2019 and 2019-2020 for approval by the State Budget
21 Director. A request shall explain the need and use for the transfer authority under this
22 subsection.

23 The amount of transfer of appropriations shall be separately recorded and reported
24 in the system of financial accounts and reports provided in KRS Chapter 45.

25 The State Budget Director shall report a transfer made under this section, in writing,
26 to the Interim Joint Committee on Appropriations and Revenue.

27 **(4) Adopt-A-Highway Litter Program:** The Transportation Cabinet and the

1 Energy and Environment Cabinet may receive, accept, and solicit grants, contributions of
 2 money, property, labor, or other things of value from any governmental agency,
 3 individual, nonprofit organization, or private business to be used for the Adopt-a-
 4 Highway Litter Program or other statewide litter programs. Any contribution of this
 5 nature shall be deemed to be a contribution to a state agency for a public purpose and
 6 shall be treated as Restricted Funds under KRS Chapter 45 and reported according to
 7 KRS Chapter 48, and shall not be subject to restrictions set forth under KRS Chapter
 8 11A.

9 **2. AVIATION**

	2018-19	2019-20
11 General Fund	9,375,000	9,375,000
12 Restricted Funds	9,763,400	9,615,100
13 Federal Funds	213,700	213,700
14 Road Fund	2,779,600	2,789,000
15 TOTAL	22,131,700	21,992,800

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

18 **(2) Debt Service:** Included in the above Road Fund appropriation is \$1,830,600
 19 in fiscal year 2018-2019 and \$1,829,800 in fiscal year 2019-2020 for debt service on
 20 previously authorized bonds. Notwithstanding KRS 183.525, \$1,830,600 in fiscal year
 21 2018-2019 and \$1,829,800 in fiscal year 2019-2020 is transferred to the Road Fund from
 22 the Kentucky Aviation Economic Development Fund to support debt service on those
 23 bonds.

24 **3. DEBT SERVICE**

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

27 **(1) Economic Development Road Lease-Rental Payments:** Included in the

1 above Road Fund appropriation is \$159,964,400 in fiscal year 2018-2019 and
 2 \$150,047,400 in fiscal year 2019-2020 for Economic Development Road lease-rental
 3 payments relating to projects financed by Economic Development Road Revenue Bonds
 4 previously authorized by the General Assembly and issued by the Kentucky Turnpike
 5 Authority.

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

10 **4. HIGHWAYS**

	2018-19	2019-20
11		
12 Restricted Funds	113,329,900	113,199,900
13 Federal Funds	734,670,300	735,446,300
14 Road Fund	806,491,700	796,634,000
15 TOTAL	1,654,491,900	1,645,280,200

16 **(1) Debt Service:** Included in the above Federal Funds appropriation is
 17 \$95,240,600 in fiscal year 2018-2019 and \$95,141,500 in fiscal year 2019-2020 for debt
 18 service on Grant Anticipation Revenue Vehicle (GARVEE) Bonds previously
 19 appropriated by the General Assembly.

20 **(2) State Supported Construction Program:** Included in the above Road Fund
 21 appropriation is \$339,950,000 in fiscal year 2018-2019 and \$282,878,500 in fiscal year
 22 2019-2020 for the State Supported Construction Program.

23 **(3) Biennial Highway Construction Program:** Included in the State Supported
 24 Construction Program is \$306,450,000 in fiscal year 2018-2019 and \$249,378,500 in
 25 fiscal year 2019-2020 from the Road Fund for state construction projects in the fiscal
 26 biennium 2018-2020 Biennial Highway Construction Program.

27 **(4) Highway Construction Contingency Account:** Included in the State

1 Supported Construction Program is \$31,000,000 in each fiscal year for the Highway
2 Construction Contingency Account.

3 (5) **Kentucky Pride Fund:** Pursuant to KRS 224.43-505, included in the State
4 Supported Construction Program is \$2,500,000 in each fiscal year from the Road Fund to
5 support the Kentucky Pride Fund.

6 (6) **2016-2018 Biennial Highway Construction Plan:** Projects in the enacted
7 2016-2018 Biennial Highway Construction Plan are authorized to continue their current
8 authorization into the 2018-2020 fiscal biennium.

9 (7) **Kentucky Transportation Center:** Notwithstanding KRS 177.320(4), no
10 funding is included in the above Road Fund appropriation for the Kentucky
11 Transportation Center.

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

14 (9) **Federal Aid Highway Funds:** If additional federal highway moneys are made
15 available to Kentucky by the United States Congress, the funds shall be used according to
16 the following priority: (a) Any demonstration-specific or project-specific moneys shall be
17 used on the project identified; and (b) All other funds shall be used to ensure that projects
18 in the fiscal biennium 2018-2020 Biennial Highway Construction Plan are funded. If
19 additional federal moneys remain after these priorities are met, the Transportation
20 Cabinet may select projects from the Highway Preconstruction Program.

21 (10) **Road Fund Cash Management:** The Secretary of the Transportation Cabinet
22 may continue the Cash Management Plan to address the policy of the General Assembly
23 to expeditiously initiate and complete projects in the fiscal biennium 2018-2020 Biennial
24 Highway Construction Plan. Notwithstanding KRS Chapter 45, specifically including
25 KRS 45.242 and 45.244, the Secretary may concurrently advance projects in the Biennial
26 Highway Construction Plan by employing management techniques that maximize the
27 Cabinet's ability to contract for and effectively administer the project work. Under the

1 approved Cash Management Plan, the Secretary shall continuously ensure that the
2 unspent project and Road Fund balances available to the Transportation Cabinet are
3 sufficient to meet expenditures consistent with appropriations provided.

4 **(11) Carry Forward of Appropriation Balances:** Notwithstanding KRS 45.229,
5 unexpended Road Fund appropriations in the Highways budget unit for the Construction
6 program, the Maintenance program, and the Research program in fiscal year 2017-2018
7 and in fiscal year 2018-2019 shall not lapse but shall carry forward. Unexpended Federal
8 Funds and Restricted Funds appropriations in the Highways budget unit for the
9 Construction program, the Maintenance program, the Equipment Services program, and
10 the Research program in fiscal year 2017-2018 and in fiscal year 2018-2019, up to the
11 amount of ending cash balances and unissued Highway and GARVEE Bond Funds, to
12 include any interest income earned on those bond funds, and grant balances shall not
13 lapse but shall carry forward.

14 **5. JUDGMENTS**

15 **(1) Payment of Judgments:** Road Fund resources required to pay judgments
16 shall be transferred from the State Construction Account at the time when actual
17 payments must be disbursed from the State Treasury.

18 **6. PUBLIC TRANSPORTATION**

	2018-19	2019-20
20 General Fund	5,370,200	5,370,200
21 Restricted Funds	775,400	861,900
22 Federal Funds	25,781,600	25,768,300
23 TOTAL	31,927,200	32,000,400

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

27 **7. REVENUE SHARING**

1		2018-19	2019-20
2	Road Fund	336,462,200	337,435,200

3 **(1) County Road Aid Program:** Included in the above Road Fund appropriation
4 is \$127,101,300 in fiscal year 2018-2019 and \$127,467,300 in fiscal year 2019-2020 for
5 the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and
6 179.440.

7 **(2) Rural Secondary Program:** Included in the above Road Fund appropriation
8 is \$154,188,500 in fiscal year 2018-2019 and \$154,632,500 in fiscal year 2019-2020 for
9 the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340,
10 177.350, and 177.360.

11 **(3) Municipal Road Aid Program:** Included in the above Road Fund
12 appropriation is \$53,479,800 in fiscal year 2018-2019 and \$53,633,800 in fiscal year
13 2019-2020 for the Municipal Road Aid Program in accordance with KRS 177.365,
14 177.366, and 177.369.

15 **(4) Energy Recovery Road Fund:** Included in the above Road Fund
16 appropriation is \$320,000 in fiscal year 2018-2019 and \$320,000 in fiscal year 2019-2020
17 for the Energy Recovery Road Fund in accordance with KRS 177.977, 177.9771,
18 177.9772, 177.978, 177.979, and 177.981.

19 **8. VEHICLE REGULATION**

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

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

1 **TOTAL - OPERATING**

2		2018-19	2019-20
3	General Fund	15,213,900	15,213,900
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	TOTAL	2,338,992,800	2,318,218,000

8 **PART II**9 **CAPITAL PROJECTS BUDGET**10 **(1) Capital Construction Fund Appropriations and Reauthorizations:**

11 Moneys in the Capital Construction Fund are appropriated for the following capital
 12 projects subject to the conditions and procedures in this Act. Items listed without
 13 appropriated amounts are previously authorized for which no additional amount is
 14 required. These items are listed in order to continue their current authorization into the
 15 2018-2020 fiscal biennium. Unless otherwise specified, reauthorized projects shall
 16 conform to the original authorization enacted by the General Assembly.

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

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

1 Investment Income shall remain subject to the provisions of KRS 45.770(5)(c).

2 (3) **Bond Proceeds Investment Income:** Investment income earned from bond
3 proceeds beyond that which is required to satisfy Internal Revenue Service arbitrage
4 rebates and penalties and excess bond proceeds upon the completion of a bond-financed
5 capital project shall be used to pay debt service according to the Internal Revenue Service
6 Code and accompanying regulations.

7 (4) **Expiring Debt:** The following amount of previously authorized Bond Funds
8 shall expire upon passage of this Act: Grant Anticipation Revenue Vehicle (GARVEE)
9 Bonds for the US-68/KY-80 Lake Barkley and Kentucky Lake Bridges Project
10 (\$59,500,000) as set forth in 2010 (1st Extra. Sess.) Ky. Acts ch. 3, Part I, A., 4., (18).

11 (5) **Appropriations for Projects Not Line-Itemized:** Inasmuch as the
12 identification of specific projects cannot be ascertained with absolute certainty at this
13 time, amounts are appropriated for specific purposes to projects which are not
14 individually identified in this Act in the following area: Aircraft Maintenance Pool. Any
15 projects estimated to cost over \$1,000,000 and equipment estimated to cost over
16 \$200,000 shall be reported to the Capital Projects and Bond Oversight Committee.

17 **A. TRANSPORTATION CABINET**

18 Budget Units	2018-19	2019-20
19 1. GENERAL ADMINISTRATION AND SUPPORT		
20 001. Maintenance Pool – 2018-2020		
21 Road Fund	2,950,000	2,950,000
22 002. Construct Crittenden County Maintenance Facility and Salt Storage		
23 Road Fund	1,850,000	-0-
24 003. Construct Hopkins County Maintenance Facility and Salt Storage		
25 Road Fund	1,800,000	-0-
26 004. Construct Knott County Maintenance Facility and Salt Storage – Additional		
27 Reauthorization (\$1,440,000)		

1 Road Fund 750,000 -0-

2 005. Construct Ballard County Maintenance Facility and Salt Storage -
3 Reauthorization (\$1,591,000 Road Fund)

4 006. Construct Clay County Maintenance Facility and Salt Storage -
5 Reauthorization and Reallocation (\$7,445,000 Road Fund)

6 (1) Reauthorization and Reallocation: The above project is authorized from a
7 reallocation of 2016 Ky. Acts ch. 148, Part II, A., 1., 003..

8 2. AVIATION

9 001. Aircraft Maintenance Pool - 2018-2020 (Additional Reauthorization and
10 Reallocation \$1,000,000 General Fund)

11 Investment Income 700,000 700,000

12 (1) Reauthorization and Reallocation: The above General Fund is authorized
13 from a reallocation of 2016 Ky. Acts ch. 149, Part II, A., 5., 001..

14 3. HIGHWAYS

15 001. Repair Loadometer and Rest Areas - 2018-2020

16 Road Fund 1,500,000 1,500,000

17 002. Road Maintenance Parks - 2018-2020

18 Road Fund 1,250,000 1,250,000

19 003. Various Environmental Compliance - 2018-2020

20 Road Fund 490,000 440,000

21 004. Jefferson County - Lease

22 PART III

23 FUNDS TRANSFER

24 The General Assembly finds that the financial condition of state government
25 requires the following action.

26 Notwithstanding the statutes or requirements of the Restricted Funds enumerated
27 below, there is transferred to the General Fund the following amounts in fiscal year 2018-

1 2019 and fiscal year 2019-2020:

2		2018-19	2019-20
3	A. TRANSPORTATION CABINET		
4	1. Aviation		
5	Agency Revenue Fund	426,100	424,000
6	(KRS 183.525(4) and (5))		
7	2. Vehicle Regulation		
8	Agency Revenue Fund	4,644,800	4,000,000
9	(KRS 186.040(6)(a))		
10	3. Vehicle Regulation		
11	Agency Revenue Fund	-0-	2,000,000
12	(KRS 186.040(6)(b))		
13	4. Vehicle Regulation		
14	Agency Revenue Fund	2,300,000	-0-
15	(KRS 186.240(3))		
16	TOTAL - FUNDS TRANSFER	7,370,900	6,424,000

17 **PART IV**

18 **TRANSPORTATION CABINET BUDGET SUMMARY**

19 **OPERATING BUDGET**

20		2018-19	2019-20
21	General Fund	15,213,900	15,213,900
22	Restricted Funds	141,551,800	141,466,000
23	Federal Funds	765,300,100	766,066,000
24	Road Fund	1,416,927,000	1,395,472,100
25	SUBTOTAL	2,338,992,800	2,318,218,000

26 **CAPITAL PROJECTS BUDGET**

27		2018-19	2019-20
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1	Road Fund	10,590,000	6,140,000
2	Investment Income	700,000	700,000
3	SUBTOTAL	11,290,000	6,840,000
4	TOTAL – TRANSPORTATION CABINET BUDGET		
5		2018-19	2019-20
6	General Fund	15,213,900	15,213,900
7	Restricted Funds	141,551,800	141,466,000
8	Federal Funds	765,300,100	766,066,000
9	Road Fund	1,427,517,000	1,401,612,100
10	Investment Income	700,000	700,000
11	TOTAL FUNDS	2,350,282,800	2,325,058,000