

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, 2019, and ending June 30, 2020, for the fiscal year beginning  
11 July 1, 2020, and ending June 30, 2021, and for the fiscal year beginning July 1, 2021,  
12 and ending June 30, 2022, 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**

	<b>2020-21</b>	<b>2021-22</b>
21		
22 General Fund	500,000	500,000
23 Restricted Funds	2,707,600	2,721,200
24 Road Fund	86,190,700	86,843,100
25 TOTAL	89,398,300	90,064,300

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 2020-2022 Biennial Highway  
3 Construction Program and Section 2 shall detail the 2020-2022 Highway Preconstruction  
4 Program Plan for fiscal year 2020-2021 through fiscal year 2025-2026 as identified by the  
5 2020 General Assembly. This document shall mirror in data type and format the fiscal  
6 year 2020-2026 Recommended Six-Year Road Plan as submitted to the 2020 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 2020 Regular Session of  
9 the General Assembly.

10 (2) **Debt Service:** Included in the above Road Fund appropriation is \$7,110,100  
11 in fiscal year 2020-2021 and \$7,105,900 in fiscal year 2021-2022 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 **2. AVIATION**

	<b>2020-21</b>	<b>2021-22</b>
24 Restricted Funds	21,319,200	16,355,400
25 Federal Funds	500,000	500,000
26 Road Fund	2,826,800	1,844,000
27 TOTAL	24,646,000	18,699,400

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

3       **(2) Debt Service:** Included in the above Road Fund appropriation is \$1,831,100  
4 in fiscal year 2020-2021 and \$837,400 in fiscal year 2021-2022 for debt service on  
5 previously authorized bonds. Notwithstanding KRS 183.525(5), \$1,831,100 in fiscal year  
6 2020-2021 and \$837,400 in fiscal year 2021-2022 is transferred to the Road Fund from  
7 the Kentucky Aviation Economic Development Fund to support debt service on those  
8 bonds.

9       **3. DEBT SERVICE**

	<b>2020-21</b>	<b>2021-22</b>
Road Fund	147,991,400	139,643,600

12       **(1) Economic Development Road Lease-Rental Payments:** Included in the  
13 above Road Fund appropriation is \$147,991,400 in fiscal year 2020-2021 and  
14 \$139,643,600 in fiscal year 2021-2022 for Economic Development Road lease-rental  
15 payments relating to projects financed by Economic Development Road Revenue Bonds  
16 previously authorized by the General Assembly and issued by the Kentucky Turnpike  
17 Authority.

18       **(2) Debt Payment Acceleration Fund Account:** Notwithstanding KRS 175.505,  
19 no portion of the revenues to the state Road Fund provided by the adjustments in KRS  
20 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment  
21 Acceleration Fund account during the 2020-2022 fiscal biennium.

22       **4. HIGHWAYS**

	<b>2020-21</b>	<b>2021-22</b>
Restricted Funds	114,726,900	114,907,000
Federal Funds	728,446,300	732,726,300
Road Fund	875,654,500	844,789,800
<b>TOTAL</b>	<b>1,718,827,700</b>	<b>1,692,423,100</b>

1           **(1) Debt Service:** Included in the above Federal Funds appropriation is  
2 \$79,468,700 in fiscal year 2020-2021 and \$79,388,200 in fiscal year 2021-2022 for debt  
3 service on Grant Anticipation Revenue Vehicle (GARVEE) Bonds previously  
4 appropriated by the General Assembly.

5           **(2) State Supported Construction Program:** Included in the above Road Fund  
6 appropriation is \$291,774,500 in fiscal year 2020-2021 and \$249,881,100 in fiscal year  
7 2021-2022 for the State Supported Construction Program.

8           **(3) Biennial Highway Construction Program:** Included in the State Supported  
9 Construction Program is \$135,774,500 in fiscal year 2020-2021 and \$93,881,100 in fiscal  
10 year 2021-2022 from the Road Fund for state construction projects in the fiscal biennium  
11 2020-2022 Biennial Highway Construction Program.

12           **(4) Highway Construction Contingency Account:** Included in the State  
13 Supported Construction Program is \$31,000,000 in each fiscal year for the Highway  
14 Construction Contingency Account.

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

18           **(6) 2018-2020 Biennial Highway Construction Plan:** Projects in the enacted  
19 2018-2020 Biennial Highway Construction Plan are authorized to continue their current  
20 authorization into the 2020-2022 fiscal biennium.

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

23           **(8) Federal Aid Highway Funds:** If additional federal highway moneys are made  
24 available to Kentucky by the United States Congress, the funds shall be used according to  
25 the following priority: (a) Any demonstration-specific or project-specific moneys shall be  
26 used on the project identified; and (b) All other funds shall be used to ensure that projects  
27 in the fiscal biennium 2020-2022 Biennial Highway Construction Plan are funded. If

1 additional federal moneys remain after these priorities are met, the Transportation  
2 Cabinet may select projects from the Highway Preconstruction Program.

3       **(9) Road Fund Cash Management:** The Secretary of the Transportation Cabinet  
4 may continue the Cash Management Plan to address the policy of the General Assembly  
5 to expeditiously initiate and complete projects in the fiscal biennium 2020-2022 Biennial  
6 Highway Construction Plan. Notwithstanding KRS Chapter 45, specifically including  
7 KRS 45.242 and 45.244, the Secretary may concurrently advance projects in the Biennial  
8 Highway Construction Plan by employing management techniques that maximize the  
9 Cabinet's ability to contract for and effectively administer the project work. Under the  
10 approved Cash Management Plan, the Secretary shall continuously ensure that the  
11 unspent project and Road Fund balances available to the Transportation Cabinet are  
12 sufficient to meet expenditures consistent with appropriations provided.

13       **(10) Carry Forward of Appropriation Balances:** Notwithstanding KRS 45.229,  
14 unexpended Road Fund appropriations in the Highways budget unit for the Construction  
15 program, the Maintenance program, and the Research program in fiscal year 2019-2020  
16 and in fiscal year 2020-2021 shall not lapse but shall carry forward. Unexpended Federal  
17 Funds and Restricted Funds appropriations in the Highways budget unit for the  
18 Construction program, the Maintenance program, the Equipment Services program, and  
19 the Research program in fiscal year 2019-2020 and in fiscal year 2020-2021, up to the  
20 amount of ending cash balances and unissued Highway and GARVEE Bond Funds, to  
21 include any interest income earned on those bond funds, and grant balances shall not  
22 lapse but shall carry forward.

## 23 **5. JUDGMENTS**

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

## 27 **6. PUBLIC TRANSPORTATION**

	<b>2020-21</b>	<b>2021-22</b>
1		
2     General Fund	12,289,000	13,989,000
3     Restricted Funds	2,089,900	603,100
4     Federal Funds	25,799,400	25,809,100
5     TOTAL	40,178,300	40,401,200

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

9       **7. REVENUE SHARING**

	<b>2020-21</b>	<b>2021-22</b>
10		
11     Road Fund	348,530,600	350,577,700

12       **(1) County Road Aid Program:** Included in the above Road Fund appropriation  
13 is \$131,658,900 in fiscal year 2020-2021 and \$132,429,300 in fiscal year 2021-2022 for  
14 the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and  
15 179.440. Notwithstanding KRS 177.320(2) and (4), the above amounts have been  
16 reduced by \$38,000 each year, which has been appropriated to the Highways budget unit  
17 for the support of the Kentucky Transportation Center.

18       **(2) Rural Secondary Program:** Included in the above Road Fund appropriation  
19 is \$159,717,400 in fiscal year 2020-2021 and \$160,652,000 in fiscal year 2021-2022 for  
20 the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340,  
21 177.350, and 177.360. Notwithstanding KRS 177.320(1) and (4), the above amounts have  
22 been reduced by \$46,000 in each fiscal year, which has been appropriated to the  
23 Highways budget unit for the support of the Kentucky Transportation Center.

24       **(3) Municipal Road Aid Program:** Included in the above Road Fund  
25 appropriation is \$55,397,400 in fiscal year 2020-2021 and \$55,721,600 in fiscal year  
26 2021-2022 for the Municipal Road Aid Program in accordance with KRS 177.365,  
27 177.366, and 177.369. Notwithstanding KRS 177.320(4) and 177.365(1), the above

1 amounts have been reduced by \$16,000 in each fiscal year, which has been appropriated  
 2 to the Highways budget unit for the support of the Kentucky Transportation Center.

3 **(4) Energy Recovery Road Fund:** Included in the above Road Fund  
 4 appropriation is \$334,000 in fiscal year 2020-2021 and \$338,000 in fiscal year 2021-2022  
 5 for the Energy Recovery Road Fund in accordance with KRS 177.977, 177.9771,  
 6 177.978, 177.979, and 177.981.

7 **(5) County Judge/Executive Expense Allowance:** Notwithstanding KRS  
 8 67.722, each County Judge/Executive not serving in a consolidated local government  
 9 shall receive an annual expense allowance of \$2,400 during the 2020-2022 fiscal  
 10 biennium. Payment shall be made quarterly from the Rural Secondary Program.

11 **8. VEHICLE REGULATION**

	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
12 Restricted Funds	-0-	14,733,400	14,411,600
13 Federal Funds	-0-	2,640,100	3,127,100
14 Road Fund	4,265,500	43,774,600	43,936,000
15 TOTAL	4,265,500	61,148,100	61,474,700

16  
 17 **(1) Debt Service:** Included in the above Road Fund appropriation is \$800,000 in  
 18 fiscal year 2020-2021 and \$1,600,000 in fiscal year 2021-2022 for debt service on  
 19 previously authorized bonds.

20 **TOTAL - OPERATING**

	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
21 General Fund	-0-	12,789,000	14,489,000
22 Restricted Funds	-0-	155,577,000	148,998,300
23 Federal Funds	-0-	757,385,800	762,162,500
24 Road Fund	4,265,500	1,504,968,600	1,467,634,200
25 TOTAL	4,265,500	2,430,720,400	2,393,284,000

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 27 **PART II**

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## CAPITAL PROJECTS BUDGET

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

Moneys in the Capital Construction Fund are appropriated for the following capital projects subject to the conditions and procedures in this Act. Items listed without appropriated amounts are previously authorized for which no additional amount is required. These items are listed in order to continue their current authorization into the 2020-2022 fiscal biennium. Unless otherwise specified, reauthorized projects shall conform to the original authorization enacted by the General Assembly.

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

All appropriations to existing line-item capital construction projects expire on June 30, 2020, unless reauthorized in this Act with the following exceptions: (a) A construction or purchase contract for the project shall have been awarded by June 30, 2020; (b) Permanent financing or a short-term line of credit sufficient to cover the total authorized project scope shall have been obtained in the case of projects authorized for bonds, if the authorized project completes an initial draw on the line of credit within the biennium immediately subsequent to the original authorization; and (c) Grant or loan agreements, if applicable, shall have been finalized and properly signed by all necessary parties. Notwithstanding the criteria set forth in this subsection, the disposition of 2018-2020 fiscal biennium nonstatutory appropriated maintenance pools funded from Capital Construction Investment Income shall remain subject to the provisions of KRS 45.770(5)(c).

### **(3) Bond Proceeds Investment Income:**

Investment income earned from bond proceeds beyond that which is required to satisfy Internal Revenue Service arbitrage rebates and penalties and excess bond proceeds upon the completion of a bond-financed capital project shall be used to pay debt service according to the Internal Revenue Service Code and accompanying regulations.

### **(4) Appropriations for Projects Not Line-Itemized:**

Inasmuch as the



1 identification of specific projects cannot be ascertained with absolute certainty at this  
 2 time, amounts are appropriated for specific purposes to projects which are not  
 3 individually identified in this Act in the following area: Aircraft Maintenance Pool. Any  
 4 projects estimated to cost over \$1,000,000 and equipment estimated to cost over  
 5 \$200,000 shall be reported to the Capital Projects and Bond Oversight Committee.

6 **A. TRANSPORTATION CABINET**

7 <b>Budget Units</b>	<b>2020-21</b>	<b>2021-22</b>
8 <b>1. GENERAL ADMINISTRATION AND SUPPORT</b>		
9 <b>001. Maintenance Pool – 2020-2022</b>		
10 Road Fund	2,950,000	2,950,000
11 <b>002. Construct Whitley County Maintenance Facility and Salt Structure</b>		
12 Road Fund	2,550,000	-0-
13 <b>003. Construct Nicholas County Maintenance Facility and Salt Storage</b>		
14 Road Fund	2,000,000	-0-
15 <b>004. Construct Ballard County Maintenance Facility and Salt Storage – Additional</b>		
16 <b>Reauthorization (\$1,584,000 Road Fund)</b>		
17 Road Fund	700,000	-0-
18 <b>005. Construct Hopkins County Maintenance Facility and Salt Storage –</b>		
19 <b>Reauthorization (\$1,800,000 Road Fund)</b>		
20 <b>006. Construct Clay County District Office – Reauthorization (\$7,445,000 Road</b>		
21 <b>Fund)</b>		
22 <b>007. AASHTOWare</b>		
23 Road Fund	1,000,000	1,000,000
24 <b>2. AVIATION</b>		
25 <b>001. Aircraft Maintenance Pool – 2020-2022</b>		
26 Investment Income	700,000	700,000
27 <b>3. HIGHWAYS</b>		

1	<b>001.</b> Repair Loadometer and Rest Areas – 2020-2022		
2	Road Fund	1,500,000	1,500,000
3	<b>002.</b> Road Maintenance Parks – 2020-2022		
4	Road Fund	1,250,000	1,250,000
5	<b>003.</b> Various Environmental Compliance – 2020-2022		
6	Road Fund	490,000	490,000
7	<b>004.</b> Transportation Warehouse Facility Renovation or Replacement		
8	Road Fund	1,500,000	-0-
9	<b>005.</b> Jefferson County – Lease		

**PART III**

**FUNDS TRANSFER**

12 The General Assembly finds that the financial condition of state government  
 13 requires the following action.

14 Notwithstanding the statutes or requirements of the Restricted Funds enumerated  
 15 below, there is transferred to the General Fund the following amounts in fiscal year 2020-  
 16 2021 and fiscal year 2021-2022:

		<b>2020-21</b>	<b>2021-22</b>
17			
18	<b>A. TRANSPORTATION CABINET</b>		
19	<b>1. Aviation</b>		
20	Agency Revenue Fund	438,400	428,800
21	(KRS 183.525(4) and (5))		
22	<b>2. Vehicle Regulation</b>		
23	Agency Revenue Fund	4,400,000	4,400,000
24	(KRS 186.040(6)(a))		
25	<b>3. Vehicle Regulation</b>		
26	Agency Revenue Fund	-0-	2,000,000
27	(KRS 186.040(6)(b))		

1 **4. Vehicle Regulation**

2	Agency Revenue Fund	-0-	300,000
3	(KRS 235.080, 235.085, and 235.130)		
4	<b>TOTAL - FUNDS TRANSFER</b>	<b>4,838,400</b>	<b>7,128,800</b>

5 **PART IV**6 **TRANSPORTATION CABINET BUDGET SUMMARY**7 **OPERATING BUDGET**

8		<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
9	General Fund	-0-	12,789,000	14,489,000
10	Restricted Funds	-0-	155,577,000	148,998,300
11	Federal Funds	-0-	757,385,800	762,162,500
12	Road Fund	4,265,500	1,504,968,600	1,467,634,200
13	<b>SUBTOTAL</b>	<b>4,265,500</b>	<b>2,430,720,400</b>	<b>2,393,284,000</b>

14 **CAPITAL PROJECTS BUDGET**

15			<b>2020-21</b>	<b>2021-22</b>
16	Road Fund		13,940,000	7,190,000
17	Investment Income		700,000	700,000
18	<b>SUBTOTAL</b>		<b>14,640,000</b>	<b>7,890,000</b>

19 **TOTAL – TRANSPORTATION CABINET BUDGET**

20		<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
21	General Fund	-0-	12,789,000	14,489,000
22	Restricted Funds	-0-	155,577,000	148,998,300
23	Federal Funds	-0-	757,385,800	762,162,500
24	Road Fund	4,265,500	1,518,908,600	1,474,824,200
25	Investment Income	-0-	700,000	700,000
26	<b>TOTAL FUNDS</b>	<b>4,265,500</b>	<b>2,445,360,400</b>	<b>2,401,174,00</b>