

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. Notwithstanding 2020 Ky. Acts ch. 93, the Transportation Cabinet
 6 Budget is as follows:

7 **PART I**

8 **OPERATING BUDGET**

9 **(1) Funds Appropriations:** There is appropriated out of the General Fund, Road
 10 Fund, Restricted Funds accounts, Federal Funds accounts, or Bond Funds accounts for the
 11 fiscal year beginning July 1, 2019, and ending June 30, 2020, for the fiscal year beginning
 12 July 1, 2020, and ending June 30, 2021, and for the fiscal year beginning July 1, 2021,
 13 and ending June 30, 2022, the following discrete sums, or so much thereof as may be
 14 necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each
 15 appropriation is made by source of respective fund or funds accounts. Appropriations for
 16 the budget units of the Transportation Cabinet are subject to the provisions of Chapters
 17 12, 42, 45, and 48 of the Kentucky Revised Statutes and compliance with the conditions
 18 and procedures set forth in this Act.

19 **A. TRANSPORTATION CABINET**

20 **Budget Units**

21 **1. GENERAL ADMINISTRATION AND SUPPORT**

	2020-21	2021-22
23 General Fund	500,000	500,000
24 Restricted Funds	2,672,100	2,672,100
25 Road Fund	85,112,100	85,112,100
26 TOTAL	88,284,200	88,284,200

27 **(1) Biennial Highway Construction Plan:** The Secretary of the Transportation

1 Cabinet shall produce a single document that contains two separately identified sections,
2 as follows:

3 Section 1 shall detail the enacted fiscal biennium 2020-2022 Biennial Highway
4 Construction Program and Section 2 shall detail the 2020-2022 Highway Preconstruction
5 Program Plan for fiscal year 2020-2021 through fiscal year 2025-2026 as identified by the
6 2020 General Assembly. This document shall mirror in data type and format the fiscal
7 year 2020-2026 Recommended Six-Year Road Plan as submitted to the 2020 General
8 Assembly. The document shall be published and distributed to members of the General
9 Assembly and the public within 60 days of adjournment of the 2020 Regular Session of
10 the General Assembly.

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

20 **(3) Riverport Improvements:** Included in the above General Fund appropriation
21 is \$500,000 in each fiscal year to improve public riverports within Kentucky. The
22 Secretary of the Transportation Cabinet, in conjunction with the Kentucky Water
23 Transportation Advisory Board, shall determine how the funds are distributed.

24 **2. AVIATION**

	2020-21	2021-22
25		
26	21,221,400	21,221,400
27	500,000	500,000

1	Road Fund	2,797,700	1,806,700
2	TOTAL	24,519,100	23,528,100

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

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

11 **3. DEBT SERVICE**

12		2020-21	2021-22
13	Road Fund	147,991,400	139,139,600

14 **(1) Economic Development Road Lease-Rental Payments:** Included in the
15 above Road Fund appropriation is \$147,891,400 in fiscal year 2020-2021 and
16 \$139,039,600 in fiscal year 2021-2022 for Economic Development Road lease-rental
17 payments relating to projects financed by Economic Development Road Revenue Bonds
18 previously authorized by the General Assembly and issued by the Kentucky Turnpike
19 Authority.

20 **(2) Debt Payment Acceleration Fund Account:** Notwithstanding KRS 175.505,
21 no portion of the revenues to the state Road Fund provided by the adjustments in KRS
22 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment
23 Acceleration Fund account during the 2020-2022 fiscal biennium.

24 **4. HIGHWAYS**

25		2020-21	2021-22
26	Restricted Funds	113,846,700	113,846,700
27	Federal Funds	725,999,900	725,999,900

1	Road Fund	826,464,900	826,464,900
2	TOTAL	1,666,311,500	1,666,311,500

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

7 **(2) State Supported Construction Program:** Included in the above Road Fund
 8 appropriation is \$305,722,400 in fiscal year 2020-2021 and \$308,554,600 in fiscal year
 9 2021-2022 for the State Supported Construction Program.

10 **(3) Biennial Highway Construction Program:** Included in the State Supported
 11 Construction Program is \$164,122,400 in fiscal year 2020-2021 and \$166,954,600 in
 12 fiscal year 2021-2022 from the Road Fund for state construction projects in the fiscal
 13 biennium 2020-2022 Biennial Highway Construction Program.

14 **(4) Highway Construction Contingency Account:** Included in the State
 15 Supported Construction Program is \$16,600,000 in each fiscal year for the Highway
 16 Construction Contingency Account. Notwithstanding KRS 45.247(4), the Secretary shall
 17 not expend Highway Construction Contingency moneys for purposes he or she
 18 determines to be a priority. Notwithstanding KRS 224.43-505(2)(d), included in the
 19 Highway Construction Contingency Account is \$5,000,000 in each fiscal year for the
 20 Kentucky Pride Fund created in KRS 224.43-505. Also included in the Highway
 21 Construction Contingency Account for Railroads is \$1,600,000 in each fiscal year for
 22 public safety and service improvements which shall not be expended unless matched with
 23 non-state funds equaling at least 20 percent of the total amount for any individual project.
 24 Additionally, in each fiscal year, up to \$350,000 of the \$1,600,000 appropriation may be
 25 used to research the merits and responsibilities of the Kentucky Rail Office in the
 26 Kentucky Transportation Cabinet and establish and administer the Kentucky Rail Office.

27 **(5) 2018-2020 Biennial Highway Construction Plan:** Projects in the enacted

1 2018-2020 Biennial Highway Construction Plan are authorized to continue their current
2 authorization into the 2020-2022 fiscal biennium. If projects in previously enacted
3 highway construction plans conflict with the 2020-2022 Biennial Highway Construction
4 Plan, the projects in the 2020-2022 Biennial Highway Construction Plan shall control.
5 The Secretary shall make every effort to maintain highway program delivery by adhering
6 to the timeframes included in the 2020-2022 Biennial Highway Construction Plan for
7 those projects.

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

10 **(7) Federal Aid Highway Funds:** If additional federal highway moneys are made
11 available to Kentucky by the United States Congress, the funds shall be used according to
12 the following priority: (a) Any demonstration-specific or project-specific moneys shall be
13 used on the project identified; and (b) All other funds shall be used to ensure that projects
14 in the fiscal biennium 2020-2022 Biennial Highway Construction Plan are funded. If
15 additional federal moneys remain after these priorities are met, the Transportation
16 Cabinet may select projects from the Highway Preconstruction Program.

17 **(8) Road Fund Cash Management:** The Secretary of the Transportation Cabinet
18 may continue the Cash Management Plan to address the policy of the General Assembly
19 to expeditiously initiate and complete projects in the fiscal biennium 2020-2022 Biennial
20 Highway Construction Plan. Notwithstanding KRS Chapter 45, specifically including
21 KRS 45.242 and 45.244, the Secretary may concurrently advance projects in the Biennial
22 Highway Construction Plan by employing management techniques that maximize the
23 Cabinet's ability to contract for and effectively administer the project work. Under the
24 approved Cash Management Plan, the Secretary shall continuously ensure that the
25 unspent project and Road Fund balances available to the Transportation Cabinet are
26 sufficient to meet expenditures consistent with appropriations provided. The
27 Transportation Cabinet shall provide quarterly reports to the Interim Joint Committee on

1 Appropriations and Revenue when the General Assembly is not in session and the
2 Standing Committees on Appropriations and Revenue when the General Assembly is in
3 session beginning July 1, 2020.

4 **(9) 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 2019-2020
7 and in fiscal year 2020-2021 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 2019-2020 and in fiscal year 2020-2021, 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 **(10) Federally Supported Construction Program:** Included in the above Federal
15 Funds appropriation is \$624,506,400 in fiscal year 2020-2021 and \$631,866,900 in fiscal
16 year 2021-2022 for federal construction projects.

17 **(11) Highways Maintenance:** Included in the above Highways Road Fund
18 appropriation is \$399,379,300 in each fiscal year for Highways Maintenance. Highways
19 Maintenance positions may be filled to the extent the above funding level and the
20 Highways Maintenance continuing appropriation are sufficient to support those positions.

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

- 26 (a) The county name;
- 27 (b) The Transportation Cabinet project identification number;

- 1 (c) The route where the project is located;
- 2 (d) The length of the project;
- 3 (e) A description of the project and the scope of improvement;
- 4 (f) The type of local, state, or federal funds to be used on the project;
- 5 (g) The stage of development for the design, right-of-way, utility, and
- 6 construction phases;
- 7 (h) The fiscal year in which each phase of the project was scheduled to
- 8 commence;
- 9 (i) The estimated cost for each phase of the project;
- 10 (j) A detailed description of the circumstances leading to the delay; and
- 11 (k) The same information required in paragraphs (a) to (i) of this subsection for
- 12 the project or projects advanced with funds initially scheduled for the delayed project.

13 **(13) Maintenance Reentry Employment Program:** Included in the above Road
 14 Fund appropriation is \$250,000 in each fiscal year to support contracting with a 501(c)(3)
 15 nonprofit organization that employs individuals on probation or parole supervision to
 16 perform crew-based maintenance services. These individuals will be selected with input
 17 from the Department of Corrections and shall provide assistance with litter abatement,
 18 graffiti removal, and vegetation control.

19 **5. JUDGMENTS**

	2020-21	2021-22
20		
21 General Fund	-0-	-0-

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

25 **6. PUBLIC TRANSPORTATION**

	2020-21	2021-22
26		
27 General Fund	5,589,000	13,989,000

1	Restricted Funds	9,083,600	9,083,600
2	Federal Funds	25,757,400	25,757,400
3	TOTAL	40,430,000	48,830,000

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

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

9 **7. REVENUE SHARING**

10		2020-21	2021-22
11	Road Fund	335,267,500	341,480,300

12 **(1) County Road Aid Program:** Included in the above Road Fund appropriation
13 is \$126,675,800 in fiscal year 2020-2021 and \$129,053,900 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 amount has been reduced
16 by \$38,000, which has been appropriated to the Highways budget unit for the support of
17 the Kentucky Transportation Center.

18 **(2) Rural Secondary Program:** Included in the above Road Fund appropriation
19 is \$153,672,400 in fiscal year 2020-2021 and \$156,557,200 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 amount has
22 been reduced by \$46,000, which has been appropriated to the Highways budget unit for
23 the support of the Kentucky Transportation Center.

24 **(3) Municipal Road Aid Program:** Included in the above Road Fund
25 appropriation is \$53,300,700 in fiscal year 2020-2021 and \$54,301,300 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 amount has been reduced by \$16,000, which has been appropriated to the Highways
 2 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 each fiscal year for the Energy Recovery Road Fund in
 5 accordance with KRS 177.977, 177.9771, 177.978, 177.979, and 177.981.

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

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

13 **8. VEHICLE REGULATION**

	2019-20	2020-21	2021-22
14 Restricted Funds	-0-	14,640,500	14,640,500
15 Federal Funds	-0-	2,640,100	2,640,100
16 Road Fund	4,265,500	46,232,900	46,232,900
17 TOTAL	4,265,500	63,513,500	63,513,500

18
 19 **(1) Debt Service:** Included in the above Road Fund appropriation is \$800,000 in
 20 fiscal year 2020-2021 and \$1,541,000 in fiscal year 2021-2022 for debt service on
 21 previously authorized bonds.

22 **TOTAL - TRANSPORTATION CABINET**

	2019-20	2020-21	2021-22
23 General Fund	-0-	6,089,000	14,489,000
24 Restricted Funds	-0-	161,464,300	161,464,300
25 Federal Funds	-0-	754,897,400	754,897,400
26 Road Fund	4,265,500	1,443,866,500	1,440,236,500

1 TOTAL 4,265,500 2,366,317,200 2,371,087,200

2

PART II

3

CAPITAL PROJECTS BUDGET

4

(1) Capital Construction Fund Appropriations and Reauthorizations:

5 Moneys in the Capital Construction Fund are appropriated for the following capital
6 projects subject to the conditions and procedures in this Act. Items listed without
7 appropriated amounts are previously authorized for which no additional amount is
8 required. These items are listed in order to continue their current authorization into the
9 2020-2022 fiscal biennium. Unless otherwise specified, reauthorized projects shall
10 conform to the original authorization enacted by the General Assembly.

11

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

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

23

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

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

1	Road Fund	800,000	-0-	-0-
2	TOTAL	1,460,000	-0-	-0-
3	2. AVIATION			
4	001. Aircraft Maintenance Pool – 2020-2022			
5	Investment Income	-0-	700,000	700,000
6	3. HIGHWAYS			
7	001. Repair Loadometer and Rest Areas – 2020-2022			
8	Road Fund	-0-	1,500,000	1,500,000
9	002. Road Maintenance Parks – 2020-2022			
10	Road Fund	-0-	1,250,000	1,250,000
11	003. Various Environmental Compliance – 2020-2022			
12	Road Fund	-0-	490,000	490,000
13	004. Transportation Warehouse Facility Renovation or Replacement			
14	Road Fund	-0-	1,500,000	-0-
15	005. Jefferson County – Lease			

PART III

FUNDS TRANSFER

18 The General Assembly finds that the financial condition of state government
19 requires the following action.

20 Notwithstanding the statutes or requirements of the Restricted Funds enumerated
21 below, there is transferred to the General Fund the following amounts in fiscal year 2020-
22 2021 and fiscal year 2021-2022:

	2020-21	2021-22
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A. TRANSPORTATION CABINET

1. Aviation

26	Agency Revenue Fund		438,400	428,800
27	(KRS 183.525(4) and (5))			

1	2. Vehicle Regulation		
2	Agency Revenue Fund	4,400,000	4,400,000
3	(KRS 186.040(6)(a))		
4	3. Vehicle Regulation		
5	Agency Revenue Fund	-0-	2,000,000
6	(KRS 186.040(6)(b))		
7	4. Vehicle Regulation		
8	Agency Revenue Fund	-0-	300,000
9	(KRS 235.080, 235.085, and 235.130)		
10	TOTAL - FUNDS TRANSFER	4,838,400	7,128,800

PART IV**TRANSPORTATION CABINET BUDGET SUMMARY****OPERATING BUDGET**

	2019-20	2020-21	2021-22	
14				
15	General Fund	-0-	6,089,000	14,489,000
16	Restricted Funds	-0-	161,464,300	161,464,300
17	Federal Funds	-0-	754,897,400	754,897,400
18	Road Fund	4,265,500	1,443,866,500	1,440,236,500
19	SUBTOTAL	4,265,500	2,366,317,200	2,371,087,200

CAPITAL PROJECTS BUDGET

	2019-20	2020-21	2021-22	
21				
22	Restricted Funds	660,000	-0-	-0-
23	Road Fund	800,000	13,940,000	7,190,000
24	Investment Income	-0-	700,000	700,000
25	SUBTOTAL	1,460,000	14,640,000	7,890,000

TOTAL - TRANSPORTATION CABINET BUDGET

	2019-20	2020-21	2021-22
26			
27			

1	General Fund	-0-	6,089,000	14,489,000
2	Restricted Funds	660,000	161,464,300	161,464,300
3	Federal Funds	-0-	754,897,400	754,897,400
4	Road Fund	5,065,500	1,457,806,500	1,447,426,500
5	Investment Income	-0-	700,000	700,000
6	TOTAL FUNDS	5,725,500	2,380,957,200	2,378,977,200