

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, 2020, and ending June 30, 2021 and for the fiscal year
12 beginning July 1, 2021, and ending June 30, 2022, the following discrete sums, or so
13 much thereof as may be necessary. Appropriated funds are included pursuant to KRS
14 48.700 and 48.710. Each appropriation is made by source of respective fund or funds
15 accounts. Appropriations for the budget units of the Transportation Cabinet are subject to
16 the provisions of Chapters 12, 42, 45, and 48 of the Kentucky Revised Statutes and
17 compliance with the conditions and procedures set forth in this Act.

18 **A. TRANSPORTATION CABINET**

19 **Budget Units**

20 **1. GENERAL ADMINISTRATION AND SUPPORT**

	2020-21	2021-22
21		
22 General Fund	500,000	500,000
23 Restricted Funds	2,672,100	2,679,900
24 Road Fund	85,112,100	85,594,600
25 TOTAL	88,284,200	88,774,500

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

26 **2. AVIATION**

27

2020-21

2021-22

1	Restricted Funds	21,221,400	16,233,800
2	Federal Funds	672,000	500,000
3	Road Fund	2,797,700	1,806,700
4	TOTAL	24,691,100	18,540,500

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

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

13 **3. DEBT SERVICE**

14		2020-21	2021-22
15	Road Fund	147,991,400	139,139,600

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

22 **(2) Debt Payment Acceleration Fund Account:** Notwithstanding KRS 175.505,
23 no portion of the revenues to the state Road Fund provided by the adjustments in KRS
24 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment
25 Acceleration Fund account during the 2020-2022 fiscal biennium.

26 **4. HIGHWAYS**

27		2020-21	2021-22
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1	Restricted Funds	123,057,300	150,400,500
2	Federal Funds	955,999,900	962,726,300
3	Road Fund	905,330,200	871,647,600
4	TOTAL	1,984,387,400	1,984,774,400

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

9 **(2) State Supported Construction Program:** Included in the above Road Fund
10 appropriation is \$321,450,200 in fiscal year 2020-2021 and \$287,721,200 in fiscal year
11 2021-2022 for the State Supported Construction Program.

12 **(3) Biennial Highway Construction Program:** Included in the State Supported
13 Construction Program is \$194,074,700 in fiscal year 2020-2021 and \$131,721,200 in
14 fiscal year 2021-2022 from the Road Fund for state construction projects in the fiscal
15 biennium 2020-2022 Biennial Highway Construction Program.

16 **(4) Highway Construction Contingency Account:** Included in the State
17 Supported Construction Program is \$16,600,000 in fiscal year 2020-2021 and
18 \$31,000,000 in fiscal year 2021-2022 for the Highway Construction Contingency
19 Account. Notwithstanding KRS 224.43-505(2)(d), included in the Highway Construction
20 Contingency Account is \$5,000,000 in fiscal year 2020-2021 for the Kentucky Pride Fund
21 created in KRS 224.43-505. Pursuant to KRS 224.43-505(2)(d), included in the State
22 Supported Construction is \$2,500,000 in fiscal year 2021-2022 for the Kentucky Pride
23 Fund. Also included in the Highway Construction Contingency Account for Railroads is
24 \$1,600,000 in each fiscal year for public safety and service improvements which shall not
25 be expended unless matched with non-state funds equaling at least 20 percent of the total
26 amount for any individual project. Additionally, in each fiscal year, up to \$350,000 of the
27 \$1,600,000 appropriation may be used to research the merits and responsibilities of the

1 Kentucky Rail Office in the Kentucky Transportation Cabinet and establish and
2 administer the Kentucky Rail Office.

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

11 **(6) Kentucky Transportation Center:** Notwithstanding KRS 177.320(4),
12 included in the above Road Fund appropriation is \$290,000 in each fiscal year for the
13 Kentucky Transportation Center.

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

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

23 **(9) Road Fund Cash Management:** The Secretary of the Transportation Cabinet
24 may continue the Cash Management Plan to address the policy of the General Assembly
25 to expeditiously initiate and complete projects in the fiscal biennium 2020-2022 Biennial
26 Highway Construction Plan. Notwithstanding KRS Chapter 45, specifically including
27 KRS 45.242 and 45.244, the Secretary may concurrently advance projects in the Biennial

1 Highway Construction Plan by employing management techniques that maximize the
2 Cabinet's ability to contract for and effectively administer the project work. Under the
3 approved Cash Management Plan, the Secretary shall continuously ensure that the
4 unspent project and Road Fund balances available to the Transportation Cabinet are
5 sufficient to meet expenditures consistent with appropriations provided. The
6 Transportation Cabinet shall provide quarterly reports to the Interim Joint Committee on
7 Appropriations and Revenue when the General Assembly is not in session and the
8 Standing Committees on Appropriations and Revenue when the General Assembly is in
9 session beginning July 1, 2020.

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

20 **(11) Highways Maintenance:** Included in the above Highways Road Fund
21 appropriation is \$399,379,300 in fiscal year 2020-2021 and \$393,769,000 in fiscal year
22 2021-2022 for Highways Maintenance. Highways Maintenance positions may be filled to
23 the extent the above funding level and the Highways Maintenance continuing
24 appropriation are sufficient to support those positions.

25 **(12) Delayed Projects Status Report:** The Secretary of the Transportation
26 Cabinet shall report by September 30 of fiscal year 2020-2021 to the Interim Joint
27 Committee on Transportation any project included in the enacted Biennial Highway

1 Construction Plan which has been delayed beyond the fiscal year for which the project
2 was authorized. The report shall include:

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

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

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**

	2020-21	2021-22
1		
2 General Fund	5,589,000	13,989,000
3 Restricted Funds	9,203,600	688,200
4 Federal Funds	66,287,400	25,804,500
5 TOTAL	81,080,000	40,481,700

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

11 **7. REVENUE SHARING**

	2020-21	2021-22
12		
13 Road Fund	335,267,500	341,480,300

14 **(1) County Road Aid Program:** Included in the above Road Fund appropriation
15 is \$126,675,800 in fiscal year 2020-2021 and \$129,053,900 in fiscal year 2021-2022 for
16 the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and
17 179.440. Notwithstanding KRS 177.320(2) and (4), the above amount has been reduced
18 by \$38,000 in each year, which has been appropriated to the Highways budget unit for the
19 support of the Kentucky Transportation Center.

20 **(2) Rural Secondary Program:** Included in the above Road Fund appropriation
21 is \$153,672,400 in fiscal year 2020-2021 and \$156,557,200 in fiscal year 2021-2022 for
22 the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340,
23 177.350, and 177.360. Notwithstanding KRS 177.320(1) and (4), the above amount has
24 been reduced by \$46,000 in each year, which has been appropriated to the Highways
25 budget unit for the support of the Kentucky Transportation Center.

26 **(3) Municipal Road Aid Program:** Included in the above Road Fund
27 appropriation is \$53,300,700 in fiscal year 2020-2021 and \$54,301,300 in fiscal year

1 2021-2022 for the Municipal Road Aid Program in accordance with KRS 177.365,
 2 177.366, and 177.369. Notwithstanding KRS 177.320(4) and 177.365(1), the above
 3 amount has been reduced by \$16,000 in each year, which has been appropriated to the
 4 Highways budget unit for the support of the Kentucky Transportation Center.

5 **(4) Energy Recovery Road Fund:** Included in the above Road Fund
 6 appropriation is \$165,000 in fiscal year 2020-2021 and \$142,000 in fiscal year 2021-2022
 7 for the Energy Recovery Road Fund in accordance with KRS 177.977, 177.9771,
 8 177.978, 177.979, and 177.981.

9 **(5) County Judge/Executive Expense Allowance:** Notwithstanding KRS
 10 67.722, each County Judge/Executive not serving in a consolidated local government
 11 shall receive an annual expense allowance of \$2,400 during fiscal year 2020-2021.
 12 Payment shall be made quarterly from the Rural Secondary Program.

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

16 **8. VEHICLE REGULATION**

	2020-21	2021-22
17		
18 Restricted Funds	14,640,500	15,011,600
19 Federal Funds	2,640,100	3,127,100
20 Road Fund	46,232,900	45,844,700
21 TOTAL	63,513,500	63,983,400

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

25 **TOTAL - TRANSPORTATION CABINET**

	2020-21	2021-22
26		
27 General Fund	6,089,000	14,489,000

1	Restricted Funds	170,794,900	185,014,000
2	Federal Funds	1,025,599,400	992,157,900
3	Road Fund	1,522,731,800	1,485,513,500
4	TOTAL	2,725,215,100	2,677,174,400

5 **PART II**

6 **CAPITAL PROJECTS BUDGET**

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

8 Moneys in the Capital Construction Fund are appropriated for the following capital
 9 projects subject to the conditions and procedures in this Act. Items listed without
 10 appropriated amounts are previously authorized for which no additional amount is
 11 required. These items are listed in order to continue their current authorization into the
 12 2020-2022 fiscal biennium. Unless otherwise specified, reauthorized projects shall
 13 conform to the original authorization enacted by the General Assembly.

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

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

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

27 proceeds beyond that which is required to satisfy Internal Revenue Service arbitrage

1 rebates and penalties and excess bond proceeds upon the completion of a bond-financed
2 capital project shall be used to pay debt service according to the Internal Revenue Service
3 Code and accompanying regulations.

4 **(4) Appropriations for Projects Not Line-Itemized:** Inasmuch as the
5 identification of specific projects cannot be ascertained with absolute certainty at this
6 time, amounts are appropriated for specific purposes to projects which are not
7 individually identified in this Act in the following area: Aircraft Maintenance Pool.
8 Notwithstanding any statute to the contrary, projects estimated to cost \$1,000,000 and
9 over and equipment estimated to cost \$200,000 and over shall be reported to the Capital
10 Projects and Bond Oversight Committee.

11 **A. TRANSPORTATION CABINET**

12 Budget Units	2020-21	2021-22
13 1. GENERAL ADMINISTRATION AND SUPPORT		
14 001. Maintenance Pool – 2020-2022		
15 Road Fund	2,950,000	2,950,000
16 002. Construct Whitley County Maintenance Facility and Salt Structure		
17 Road Fund	1,050,000	-0-
18 003. Construct Nicholas County Maintenance Facility and Salt Storage		
19 Road Fund	2,000,000	-0-
20 004. Construct Ballard County Maintenance Facility and Salt Storage – Additional		
21 Reauthorization (\$1,584,000 Road Fund)		
22 Road Fund	700,000	-0-
23 005. Construct Hopkins County Maintenance Facility and Salt Storage –		
24 Reauthorization (\$1,800,000 Road Fund)		
25 006. Construct Clay County District Office – Reauthorization (\$7,445,000 Road		
26 Fund)		
27 007. AASHTOWare		

1	Road Fund	1,000,000	1,000,000
2	008. District 6 District Office and Materials Lab		
3	Road Fund	1,500,000	-0-
4	009. Construct Casey County Maintenance Facility – Reauthorization (\$660,000		
5	Restricted Funds and \$800,000 Road Fund)		
6	010. Replace Automated Vehicle Information System (AVIS) – Additional		
7	Reauthorization (\$25,000,000 Bond Funds)		
8	Restricted Funds	-0-	4,000,000

9 **2. AVIATION**

10 **001.** Aircraft Maintenance Pool – 2020-2022

11	Investment Income	700,000	700,000
12	Restricted Funds	-0-	300,000

13 **(1) Restricted Funds:** Notwithstanding KRS 186.240(2) and 186.240(3), the
14 above Restricted Funds shall be transferred to the Aircraft Maintenance Pool – 2020-
15 2022.

16 **3. HIGHWAYS**

17 **001.** Repair Loadometer and Rest Areas – 2020-2022

18	Road Fund	1,500,000	1,500,000
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19 **002.** Road Maintenance Parks – 2020-2022

20	Road Fund	1,250,000	1,250,000
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21 **003.** Various Environmental Compliance – 2020-2022

22	Road Fund	490,000	490,000
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23 **004.** Transportation Warehouse Facility Renovation or Replacement

24	Road Fund	1,500,000	-0-
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25 **005.** Jefferson County – Lease

26 **PART III**
27 **FUNDS TRANSFER**

1 The General Assembly finds that the financial condition of state government
2 requires the following action.

3 Notwithstanding the statutes or requirements of the Restricted Funds enumerated
4 below, there is transferred to the General Fund the following amounts in fiscal year 2020-
5 2021 and fiscal year 2021-2022:

	2020-21	2021-22
A. TRANSPORTATION CABINET		
1. Aviation		
Agency Revenue Fund	438,400	428,800
(KRS 183.525(4) and (5))		
2. Aviation		
Special Revenue Fund	-0-	899,300
3. Vehicle Regulation		
Agency Revenue Fund	4,400,000	400,000
(KRS 186.040(6)(a))		
4. Vehicle Regulation		
Agency Revenue Fund	-0-	2,000,000
(KRS 186.040(6)(b))		
5. Vehicle Regulation		
Agency Revenue Fund	-0-	700,000
(KRS 186.240 (2) and (3))		
6. Vehicle Regulation		
Agency Revenue Fund	-0-	300,000
(KRS 235.080, 235.085, and 235.130)		
TOTAL - FUNDS TRANSFER	4,838,400	4,728,100

PART IV

TRANSPORTATION CABINET BUDGET SUMMARY

1	OPERATING BUDGET		
2		2020-21	2021-22
3	General Fund	6,089,000	14,489,000
4	Restricted Funds	170,794,900	185,014,000
5	Federal Funds	1,025,599,400	992,157,900
6	Road Fund	1,522,731,800	1,485,513,500
7	SUBTOTAL	2,725,215,100	2,677,174,400
8	CAPITAL PROJECTS BUDGET		
9		2020-21	2021-22
10	Restricted Funds	-0-	4,300,000
11	Road Fund	13,940,000	7,190,000
12	Investment Income	700,000	700,000
13	SUBTOTAL	14,640,000	12,190,000
14	TOTAL - TRANSPORTATION CABINET BUDGET		
15		2020-21	2021-22
16	General Fund	6,089,000	14,489,000
17	Restricted Funds	170,794,900	189,314,000
18	Federal Funds	1,025,599,400	992,157,900
19	Road Fund	1,536,671,800	1,492,703,500
20	Investment Income	700,000	700,000
21	TOTAL FUNDS	2,739,855,100	2,689,364,400