

1 AN ACT relating to government agencies, making an appropriation therefor, and  
2 declaring an emergency.

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

4 ➔Section 1. Notwithstanding KRS 141.020(2)(a)2., the appropriations contained  
5 in this Act are supported solely by funds from the Budget Reserve Trust Fund Account  
6 established by KRS 48.705 and shall not be identified as GF appropriations when  
7 certifying the reduction conditions pursuant to KRS 141.020(2)(a)5. and (d)2. to 5.

8 There is hereby appropriated General Fund moneys in the amount of \$178,500,000  
9 in fiscal year 2023-2024, \$2,494,195,000 in fiscal year 2024-2025, and \$876,500,000 in  
10 fiscal year 2025-2026 from the Budget Reserve Trust Fund Account established by KRS  
11 48.705 to support the following one-time appropriations:

12 (1) \$75,000,000 in fiscal year 2024-2025 and \$75,000,000 in fiscal year 2025-  
13 2026 to the Kentucky Infrastructure Authority budget unit to support drinking water and  
14 wastewater infrastructure grants;

15 (2) \$175,000,000 in fiscal year 2023-2024 and \$275,000,000 in fiscal year 2024-  
16 2025 to the Department for Local Government budget unit to support matching funds  
17 under the Government Resources Accelerating Needed Transformation Program.  
18 Notwithstanding KRS 147A.158(3)(b), no more than \$175,000 in fiscal year 2023-2024  
19 and \$275,000 in fiscal year 2024-2025 shall be used for administrative expenses.  
20 Notwithstanding KRS 45.229, these funds shall not lapse and shall carry forward;

21 (3) \$50,000,000 in each fiscal year to the Department for Local Government  
22 budget unit to be distributed to Louisville Metro Government for the revitalization of  
23 downtown Louisville to include these projects:

- 24 (a) The Belvedere;  
25 (b) Community Care Campus;  
26 (c) LOUMED Campus;  
27 (d) Louisville Gardens;

1 (e) Downtown Vacant Lot Revitalization; and

2 (f) Butchertown Sports District;

3 (4) \$12,000,000 in fiscal year 2024-2025 to the Department for Local  
4 Government budget unit to be distributed to the Pikeville Medical Center for the  
5 upgrades of the facilities to include these projects:

6 (a) Expansion of the psychiatric and mental health ward;

7 (b) Renovation of the intensive care unit;

8 (c) Renovation of the obstetrics/labor/delivery ward; and

9 (d) Renovation of the obstetrics operating room;

10 (5) \$10,000,000 in fiscal year 2024-2025 to the Department for Local  
11 Government budget unit to be distributed to the Lexington-Fayette Urban County  
12 Government to support Lexington's Transformational Housing Affordability Partnership;

13 (6) \$25,000,000 in fiscal year 2024-2025 to the Department for Local  
14 Government budget unit to be distributed to the City of Ashland to construct a new  
15 conference center complex;

16 (7) \$12,000,000 in fiscal year 2024-2025 to the Department for Local  
17 Government budget unit to be distributed to Appalachian Regional Healthcare to  
18 construct a cancer treatment center in the City of Middlesboro;

19 (8) \$12,500,000 in each fiscal year to the Department for Local Government  
20 budget unit to administer a community-focused park grant program. The Department  
21 shall issue grants to local governments for projects totaling at least \$2,000,000, subject to  
22 a dollar-for-dollar local match;

23 (9) \$14,000,000 in fiscal year 2024-2025 and \$136,000,000 in fiscal year 2025-  
24 2026 to the Department for Local Government budget unit to be distributed to the Kenton  
25 County Fiscal Court and deployed through the Northern Kentucky Port Authority to plan,  
26 design, and construct a Commonwealth Center for Biomedical Excellence in the City of  
27 Covington in partnership with Northern Kentucky University and the University of

1 Kentucky;

2 (10) \$21,900,000 in fiscal year 2024-2025 to the Department for Local  
3 Government budget unit to be distributed to the Kentucky Cattleman's Association for  
4 the construction of the Livestock Innovation Center at the University of Kentucky C.  
5 Oran Little Research Farm.

6 (11) \$150,000,000 in fiscal year 2024-2025 to the Kentucky Public Pensions  
7 Authority budget unit to be applied to the unfunded pension liability of the State Police  
8 Retirement Systems pension fund. These funds shall only be distributed on a monthly  
9 basis and shall not be distributed until the system has certified that the previous month's  
10 distribution has been invested;

11 (12) \$300,000,000 in fiscal year 2024-2025 to the Kentucky Public Pensions  
12 Authority budget unit to be applied to the unfunded pension liability of the Kentucky  
13 Employees Retirement System Nonhazardous pension fund. These funds shall only be  
14 distributed on a monthly basis and shall not be distributed until the system has certified  
15 that the previous month's distribution has been invested;

16 (13) \$500,000,000 in fiscal year 2024-2025 to the Teachers' Retirement System  
17 budget unit to be applied to the unfunded actuarially accrued liability of the pension fund.  
18 These funds shall only be distributed on a monthly basis and shall not be distributed until  
19 the system has certified that the previous month's distribution has been invested;

20 (14) \$100,000,000 in fiscal year 2024-2025 to the Economic Development budget  
21 unit to support approved mega-development projects of at least \$10,000,000, with an  
22 exception for certain economic development projects as recommended by the Cabinet  
23 based on unique conditions of the county where the project may occur, including but not  
24 limited to the population, per capita income, or county wages that are lower than the  
25 median for the state;

26 (15) \$50,000,000 in fiscal year 2024-2025 to the Economic Development budget  
27 unit to support the Kentucky Economic Development Finance Authority Loan Pool. The

1 appropriation contained in this subsection shall be used to provide funding to Hardin and  
2 Warren Counties, communities experiencing significant economic development growth  
3 due to announced projects with investments exceeding \$2,000,000,000 for supporting  
4 critical infrastructure improvements, such as water and sewer requirements, for continued  
5 economic development. Assistance may be in the form of a loan with the ability for  
6 forgiveness due to meeting negotiated requirements related to increased economic  
7 development for the community;

8 (16) \$75,000,000 in fiscal year 2024-2025 to the Economic Development budget  
9 unit to support development projects. These funds shall be allocated in accordance with  
10 KRS 154.21-010 to 154.21-040, and the Cabinet for Economic Development may retain  
11 \$100,000 of this appropriation for administrative expenses, including \$75,000 to  
12 reimburse the Kentucky Association for Economic Development for technical support  
13 and evaluation services;

14 (17) \$35,000,000 in fiscal year 2024-2025 to the Economic Development budget  
15 unit to support capital improvements at Kentucky Commercial Airports in the following  
16 allocations:

17 (a) \$5,000,000 for the Bluegrass Airport;

18 (b) \$5,000,000 for the Louisville Muhammad Ali International Airport; and

19 (c) \$25,000,000 for the Cincinnati/Northern Kentucky International Airport;

20 (18) \$10,000,000 in fiscal year 2024-2025 to the Economic Development budget  
21 unit to be allocated to the Leitchfield-Grayson County Airport to purchase acreage for the  
22 expansion of runways to promote economic growth;

23 (19) \$35,000,000 in fiscal year 2025-2026 to the Economic Development budget  
24 unit for the expansion of the Defense Industrial Base. The Cabinet shall establish a state  
25 defense industrial base board for the investment of these moneys;

26 (20) \$5,000,000 in fiscal year 2024-2025 and \$45,000,000 in fiscal year 2025-2026  
27 to the Economic Development budget unit for funding of Kentucky Economic

1 Development Finance Authority loans ("KEDFA loans") for upfront financing assistance  
2 to eligible loan recipients located in a rural community for supporting companies with  
3 active economic development projects considering locating a facility and operations in  
4 the community resulting in net new employment in the area to be called the Kentucky  
5 Building and Job Creation Lending Program for Rural Communities. Eligible loan  
6 recipients may include a nonprofit, city, county, or government-owned industrial  
7 development authority located in a rural community that owns land and/or a building and  
8 is prepared to be the intermediary and serve as the lessee for the project. Low-interest  
9 loans may be made to eligible loan recipients to assist with financing the construction of  
10 new buildings for lease to an economic development project or renovation of existing,  
11 vacant buildings owned by the eligible loan recipient for lease to an economic  
12 development project. The Cabinet for Economic Development shall determine the terms  
13 and conditions of the KEDFA loans, monitor the performance of the economic  
14 development projects, and secure reasonable collateral. Annual status of any KEDFA  
15 loans awarded shall be reported to the Legislative Research Commission and the Interim  
16 Joint Committee on Appropriations and Revenue by November 1 of each year for as long  
17 as the KEDFA loans are in effect. Notwithstanding KRS 45.229, these funds shall not  
18 lapse and shall carry forward;

19 (21) \$5,000,000 in fiscal year 2024-2025 and \$25,000,000 in fiscal year 2025-2026  
20 to the Community Based Services budget unit to be distributed to the Home of the  
21 Innocents for the expansion of the Kosair for Kids Complex Care Center. The funds shall  
22 not be distributed unless an equal match is provided by the Home of the Innocents;

23 (22) \$12,000,000 in fiscal year 2024-2025 to the Community Based Services  
24 budget unit to be distributed to the Life Learning Center to support an integrated pathway  
25 to treatment, rehabilitation, and community reintegration in partnership with Odyssey,  
26 Inc.;

27 (23) \$50,000,000 in fiscal year 2024-2025 to the Criminal Justice Training budget

1 unit to construct to the Western Kentucky Law Enforcement Training Academy in the  
2 City of Madisonville. The Department shall collaborate with the City of Madisonville to  
3 plan, design, and construct the training academy;

4 (24) \$6,395,000 in fiscal year 2024-2025 to the State Police budget unit to  
5 purchase lab equipment consisting of:

6 (a) One mobile DNA response unit;

7 (b) One single nucleotide polymorphism instrument, including validation services  
8 and testing kits;

9 (c) Six GS/MC detector instruments;

10 (d) One 3-D firearm imaging system;

11 (e) Two gas chromatography/mass spectrometry instruments;

12 (f) Two GC/MS/FID instruments;

13 (g) One scanning electron microscope;

14 (h) 240 intoxilyzer instruments;

15 (i) One time-of-flight mass spectrometer; and

16 (j) 15 laboratory fleet vehicles;

17 (25) \$16,000,000 in fiscal year 2024-2025 to the Council on Postsecondary  
18 Education budget unit to be distributed to Appalachian Regional Healthcare to establish a  
19 psychiatric residency program to serve eastern Kentucky;

20 (26) \$8,000,000 in fiscal year 2024-2025 to the Morehead State University budget  
21 unit for the advancement, development, and implementation of new space science  
22 satellites for the University's space science program;

23 (27) \$8,500,000 in fiscal year 2024-2025 and \$1,500,000 in fiscal year 2025-2026  
24 to the Murray State University budget unit for construction, renovation, and operations  
25 for the University's cybersecurity program;

26 (28) \$10,000,000 in fiscal year 2024-2025 and \$50,000,000 in fiscal year 2025-  
27 2026 to the Murray State University budget unit to construct a facility for the veterinary

1 technician program;

2 (29) \$75,000,000 in fiscal year 2024-2025 to the University of Kentucky budget  
3 unit to support and facilitate the development of nuclear energy by the Center for Applied  
4 Energy Research. The Center may use interest earned on the investment for nuclear  
5 energy research;

6 (30) \$25,000,000 in fiscal year 2024-2025 to the University of Louisville budget  
7 unit to be distributed to the University of Louisville Health System for cancer care,  
8 research, screening, and educational programs at the Center for Rural Cancer Education  
9 and Research;

10 (31) \$8,500,000 in fiscal year 2024-2025 and \$1,500,000 in fiscal year 2025-2026  
11 to the University of Louisville budget unit to support construction, renovation, and  
12 operations for the University's cybersecurity program;

13 (32) \$36,000,000 in fiscal year 2024-2025 to the Horse Park Commission budget  
14 unit for facility upgrades to be allocated as follows:

15 (a) \$2,500,000 for the renovation of the restaurant;

16 (b) \$15,000,000 for the replacement of competition barns and stalls;

17 (c) \$7,000,000 for the renovation of entertainment pavilions;

18 (d) \$5,000,000 for the replacement of campground sites and bathhouse;

19 (e) \$1,500,000 for a maintenance pool; and

20 (f) \$5,000,00 for the renovation of the International Museum of the Horse;

21 (33) \$3,500,000 in fiscal year 2023-2024 and \$15,000,000 in fiscal year 2024-2025  
22 to the General Administration and Support budget unit in the Kentucky Transportation  
23 Cabinet to improve public riverports within Kentucky. The appropriation shall be  
24 disbursed and expended as follows:

25 (a) In fiscal year 2023-2024, the \$3,500,000 appropriated shall be used for  
26 construction and maintenance of public riverports as authorized by KRS 65.520 and for  
27 eligible use as described in KRS 174.210(3);

1 (b) In fiscal year 2024-2025, of the \$15,000,000 appropriated, each existing  
2 public riverport shall receive \$1,500,000 for construction and maintenance as authorized  
3 by KRS 65.520 and for eligible use as described in KRS 174.210(3). Any remaining  
4 balance shall be distributed at the Transportation Cabinet Secretary's discretion and may  
5 be disbursed to riverport authorities for existing and developing riverports.  
6 Notwithstanding KRS 45.229, any portion of these funds that have not been expended by  
7 the end of fiscal year 2024-2025 shall not lapse and shall carry forward into fiscal year  
8 2025-2026; and

9 (c) No local match shall be required for the appropriations contained in this  
10 subsection;

11 (34) \$15,000,000 in fiscal year 2024-2025 to the Department of Highways budget  
12 unit in the Kentucky Transportation Cabinet to implement the Short Line Infrastructure  
13 Preservation Pilot Project. The Cabinet shall coordinate with and make grants to Class II  
14 and Class III railroads to preserve and enhance existing rail lines and corridors, retain  
15 existing rail-served industries, and attract new industries, and preserve and modernize  
16 Kentucky's rail system. Funds from the pilot project shall be used for the purpose of  
17 leveraging state matching dollars in partnership with participating railroads for the  
18 railroad federal grant applications, equipment, construction, reconstruction, improvement,  
19 or rehabilitation of rail facilities or engineering work associated with capital projects. No  
20 funds shall be expended from the pilot project unless matched with non-state funds  
21 equaling at least 50 percent of the total amount for any individual project. No single  
22 project shall receive more than \$2,000,000 in grant funds from the pilot project.  
23 Notwithstanding KRS 45.229, any portion of these funds that have not been expended by  
24 the end of fiscal year 2024-2025 shall not lapse and shall carry forward into fiscal year  
25 2025-2026. The Transportation Cabinet shall submit a report to the Legislative Research  
26 Commission and the Interim Joint Committee on Appropriations and Revenue by  
27 September 1, 2025, detailing the disbursement of funds in this subsection;

1 (35) \$15,000,000 in fiscal year 2024-2025 to the Department of Highways budget  
2 unit in the Kentucky Transportation Cabinet to implement the Industrial Access and  
3 Safety Improvement Pilot Project. The Kentucky Transportation Cabinet, in conjunction  
4 with the Cabinet for Economic Development, shall review project proposals and the  
5 benefits provided in Kentucky. Projects must provide one or more of the following  
6 applicable economic development and safety improvement benefits:

7 (a) Provide Kentucky communities and industries with transportation options,  
8 connectivity, and opportunities;

9 (b) Enhance rail line corridors to increase on-time performance; and

10 (c) Improve rail services to existing industries and encourage investment in the  
11 Commonwealth;

12 The Transportation Cabinet shall coordinate with and make grants to eligible freight  
13 railroads operating in the Commonwealth, as well as to any Railroad Authority, Port  
14 Authority, rail-served industries, and Industrial and Economic Development Authority  
15 Board to expand rail access, enhance the marketability of available industrial sites,  
16 increase job creation and capital investment, and increase safety. Funds from the pilot  
17 project shall be used for equipment, construction, reconstruction, improvement, or  
18 rehabilitation of rail facilities or engineering work associated with capital projects. No  
19 funds shall be expended from the pilot project unless matched with non-state funds  
20 equaling at least 50 percent of the total amount for any individual project. No single  
21 project shall receive more than \$2,000,000 in grant funds from the pilot project. No one  
22 entity shall be eligible to receive more than 25 percent of total program funds in a fiscal  
23 year. Notwithstanding KRS 45.229, any portion of these funds that have not been  
24 expended by the end of fiscal year 2024-2025 shall not lapse and shall carry forward into  
25 fiscal year 2025-2026. The Transportation Cabinet shall submit a report to the Legislative  
26 Research Commission and the Interim Joint Committee on Appropriations and Revenue  
27 by September 1, 2025, detailing the disbursement of funds in this subsection;

1 (36) \$11,400,000 in fiscal year 2024-2025 to the Department of Aviation budget  
2 unit in the Kentucky Transportation Cabinet to support grants of \$200,000 to each  
3 General Aviation airport; and

4 (37) \$445,000,000 in each fiscal year to the Department of Highways budget unit  
5 in the Kentucky Transportation Cabinet to support the State Supported Construction  
6 Program and select construction projects within the 2024-2026 Biennial Highway  
7 Construction Program. The select construction projects are identified for industrial  
8 development, economic and quality improvement, or located in counties that are  
9 projected to have the largest change in total population in both numeric and percentage  
10 gain. Notwithstanding KRS 45.299, these funds shall not lapse and shall carry forward.

11 ➔Section 2. Notwithstanding any provision of KRS 61.691 and subject to the  
12 limitations established by this section, recipients of a monthly retirement allowance from  
13 the Kentucky Employees Retirement System or State Police Retirement System whose  
14 effective retirement date is prior to January 1, 2024, shall receive a one-time payment  
15 added to their July 2024 retirement allowance payment, equal to the monthly retirement  
16 allowance the recipient receives from the Kentucky Employees Retirement System and  
17 State Police Retirement System in the month of June 2024, multiplied by the following  
18 percentage:

19 (1) For recipients who have a combined annualized retirement allowance from the  
20 Kentucky Employees Retirement System and State Police Retirement System equal to or  
21 less than \$45,000 as of June 2024:

22 (a) 100 percent, if the recipient has an effective retirement date prior to January 1,  
23 2015;

24 (b) 67 percent, if the recipient has an effective retirement date on or after January  
25 1, 2015, but prior to January 1, 2019; or

26 (c) 33 percent, if the recipient has an effective retirement date on or after January  
27 1, 2019, but prior to January 1, 2024; and

1 (2) For recipients who have a combined annualized retirement allowance from the  
2 Kentucky Employees Retirement System and State Police Retirement System greater  
3 than \$45,000 as of June 2024:

4 (a) 67 percent, if the recipient has an effective retirement date prior to January 1,  
5 2015;

6 (b) 33 percent, if the recipient has an effective retirement date on or after January  
7 1, 2015, but prior to January 1, 2019; or

8 (c) 0 percent, if the recipient has an effective retirement date on or after January  
9 1, 2019, but prior to January 1, 2024.

10 For purposes of this section, the "combined annualized retirement allowance"  
11 means the sum of the monthly retirement allowance paid from the Kentucky Employees  
12 Retirement System and State Police Retirement System in June 2024 to the recipient  
13 multiplied by 12, not including the one-time payment.

14 ➔Section 3. There is hereby appropriated \$74,747,000 in General Fund moneys  
15 from the Budget Reserve Trust Fund Account established by KRS 48.705 in fiscal year  
16 2024-2025 to the Kentucky Public Pensions Authority to be applied to the following  
17 funds to prefund the one-time payments provided by Sections 1 of this Act:

18 (1) \$65,977,000 to the Kentucky Employees Retirement Fund of the Kentucky  
19 Employees Retirement System established by KRS 61.515 to prefund the one-time  
20 payments from the Kentucky Employees Retirement System to each recipient for service  
21 in a nonhazardous position as defined in KRS 61.510(44);

22 (2) \$4,955,000 to the Kentucky Employees Retirement Fund of the Kentucky  
23 Employees Retirement System established by KRS 61.515 to prefund the one-time  
24 payments from the Kentucky Employees Retirement System to each recipient for service  
25 in a hazardous position as provided in KRS 61.592; and

26 (3) \$3,815,000 to the State Police Retirement Fund of the State Police Retirement  
27 System established by KRS 16.510 to prefund the one-time payments from the State

1 Police Retirement System to each recipient.

2 Notwithstanding KRS 141.020(2)(a)2., the appropriations in this section shall not  
3 be identified as GF appropriations when certifying the reduction conditions pursuant to  
4 KRS 141.020(2)(a)5. and (d)2. to 5.

5 ➔Section 4. Whereas the provisions of this Act provide ongoing support for state  
6 government agencies and their functions, an emergency is declared to exist, and this Act  
7 takes effect upon its passage and approval by the Governor or upon its otherwise  
8 becoming a law.