

FREE CONFERENCE COMMITTEE REPORT

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The Free Conference Committee on **HB 265** has met as provided in the Rules of the House and Senate and hereby reports the following to be adopted:

_____ **GA** X **SCS** _____ **HCS**

For the above-referenced bill, with these amendments (if applicable):

Committee (list by chamber and number): _____;

Floor (list by chamber and number): _____; and

The following Free Conference Committee action:

Beginning on page 1, after line 4, delete all language in its entirety and insert in lieu thereof the following:

"➔Section 1. The Transportation Cabinet Budget is as follows:

PART I

OPERATING BUDGET

(1) Funds Appropriations: There is appropriated out of the General Fund, Road Fund, Restricted Funds accounts, Federal Funds accounts, or Bond Funds accounts for the fiscal year beginning July 1, 2023, and ending June 30, 2024, for the fiscal year beginning July 1, 2024, and ending June 30, 2025, and for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following discrete sums, or so much thereof as may be necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each appropriation is made by source of respective fund or funds accounts. Appropriations for the budget units of the Transportation Cabinet are subject to the provisions of Chapters 12, 42, 45, and 48 of the Kentucky Revised Statutes and compliance with the conditions and procedures set forth in this Act.

A. TRANSPORTATION CABINET

Budget Units

1 **1. GENERAL ADMINISTRATION AND SUPPORT**

	2024-25	2025-26
3 General Fund	500,000	500,000
4 Restricted Funds	2,754,800	2,771,500
5 Road Fund	83,526,100	84,407,400
6 TOTAL	86,780,900	87,678,900

7 **(1) Biennial Highway Construction Plan:** The Secretary of the Transportation Cabinet
 8 shall produce a single document that shall detail the enacted fiscal biennium 2024-2026 Biennial
 9 Highway Construction Program, the 2026-2030 Highway Preconstruction Program, and the
 10 County Priority Projects Program.

11 **(2) Debt Service:** Included in the above Road Fund appropriation is \$340,900 in fiscal
 12 year 2024-2025 and \$341,500 in fiscal year 2025-2026 for debt service on previously authorized
 13 bonds.

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

22 **(4) Budget Implementation:** The General Assembly directs that the Transportation
 23 Cabinet shall carry out all appropriations and budgetary language provisions as contained in the
 24 Transportation Cabinet Budget. The Legislative Research Commission shall review quarterly
 25 expenditure data to determine if an agency is out of compliance with this directive. If the
 26 Legislative Research Commission suspects that any entity has acted in non-conformity with this
 27 subsection, the Legislative Research Commission may order an audit or review at the agency's

1 expense. Such audit findings, reviews, and reports shall be subject to the Kentucky Open
 2 Records Law. The Secretary of the Transportation Cabinet shall provide a comprehensive
 3 semiannual report, beginning February 1, 2025, to the standing Appropriations and Revenue
 4 Committees of the General Assembly or the Interim Joint Committee on Appropriations and
 5 Revenue, as appropriate, detailing expenditures related to the appropriations contained within the
 6 budgetary language provisions for each budget unit within the Transportation Cabinet. If an
 7 agency does not expend the full General Fund appropriation contained within a budgetary
 8 language provision, the unexpended funds shall be transferred to the Budget Reserve Trust Fund
 9 Account (KRS 48.705).

10 (5) **Riverport Improvements:** Included in the above General Fund appropriation is
 11 \$500,000 in each fiscal year to improve public riverports within Kentucky. The Secretary of the
 12 Transportation Cabinet, in conjunction with the Kentucky Water Transportation Advisory Board,
 13 shall determine how the funds are distributed. Notwithstanding KRS 45.229, any portion of
 14 General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
 15 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part I, A., 1., (4) of this
 16 Act.

17 **2. AVIATION**

	2024-25	2025-26
18 General Fund	1,150,000	1,150,000
19 Restricted Funds	18,915,000	18,991,100
20 Federal Funds	500,800	500,800
21 Road Fund	838,500	837,500
22 TOTAL	21,404,300	21,479,400

23
 24 (1) **Operational Costs:** Notwithstanding KRS 183.525(5), the above Restricted Funds
 25 appropriation includes operational costs of the program in each fiscal year.

26 (2) **Debt Service:** Included in the above Road Fund appropriation is \$838,500 in fiscal
 27 year 2024-2025 and \$837,500 in fiscal year 2025-2026 for debt service on previously authorized

1 bonds. Notwithstanding KRS 183.525, \$838,500 in fiscal year 2024-2025 and \$837,500 in fiscal
 2 year 2025-2026 is transferred to the Road Fund from the Kentucky Aviation Economic
 3 Development Fund to support debt service on those bonds.

4 **(3) Road Fund and Restricted Funds Replacement:** Included in the above General
 5 Fund appropriation is \$1,150,000 in each fiscal year to support the Capital City Airport Division.
 6 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose shall
 7 lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be
 8 submitted pursuant to Part I, A., 1., (4) of this Act.

9 **3. DEBT SERVICE**

	2024-25	2025-26
10		
11 Road Fund	137,206,400	118,683,100

12 **(1) Economic Development Road Lease-Rental Payments:** Included in the above
 13 Road Fund appropriation is \$136,956,400 in fiscal year 2024-2025 and \$118,433,100 in fiscal
 14 year 2025-2026 for Economic Development Road lease-rental payments relating to projects
 15 financed by Economic Development Road Revenue Bonds previously authorized by the General
 16 Assembly and issued by the Kentucky Turnpike Authority.

17 **(2) Debt Payment Acceleration Fund Account:** Notwithstanding KRS 175.505, no
 18 portion of the revenues to the state Road Fund provided by the adjustments in KRS 138.220(2),
 19 excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment Acceleration Fund
 20 account during the 2024-2026 fiscal biennium.

21 **4. HIGHWAYS**

	2024-25	2025-26
22		
23 Restricted Funds	188,462,900	342,164,000
24 Federal Funds	1,256,222,200	1,272,307,100
25 Road Fund	1,244,441,900	1,150,167,400
26 TOTAL	2,689,127,000	2,764,638,500

27 **(1) Debt Service:** Included in the above Federal Funds appropriation is \$69,981,400 in

1 fiscal year 2024-2025 and \$69,898,400 in fiscal year 2025-2026 for debt service on already
2 issued Grant Anticipation Revenue Vehicle (GARVEE) Bonds previously appropriated by the
3 General Assembly.

4 **(2) State Supported Construction Program:** Included in the above Road Fund
5 appropriation is \$717,555,100 in fiscal year 2024-2025 and \$617,297,500 in fiscal year 2025-
6 2026 for the State Supported Construction Program.

7 **(3) Biennial Highway Construction Program:** Included in the State Supported
8 Construction Program is \$535,665,100 in fiscal year 2024-2025 and \$435,407,500 in fiscal year
9 2025-2026 from the Road Fund for state construction projects and the state match for federal
10 projects in the 2024-2026 Biennial Highway Construction Program.

11 **(4) Highway Construction Contingency Account:** Included in the State Supported
12 Construction Program is \$11,890,000 in each fiscal year for the Highway Construction
13 Contingency Account. Notwithstanding KRS 45.247(2), (4), (5), (6), (7), (8), the Secretary shall
14 only expend Highway Construction Contingency moneys for projects of an emergency nature or
15 for projects that relieve a hazardous condition. Notwithstanding KRS 224.43-505(2), included in
16 the Highway Construction Contingency Account is \$5,000,000 in each fiscal year to support the
17 Kentucky Pride Fund created in KRS 224.43-505. Notwithstanding KRS 45.247 and 177.320(4),
18 included in the Highway Construction Contingency Account is \$290,000 in each fiscal year for
19 the Kentucky Transportation Center. Also included in the Highway Construction Contingency
20 Account for Railroads is \$1,600,000 in each fiscal year for public safety and service
21 improvements which shall not be expended unless matched with nonstate funds equaling at least
22 20 percent of the total amount for any individual project. Additionally, in each fiscal year, up to
23 \$350,000 of the \$1,600,000 appropriation may be used to establish and administer the Kentucky
24 Rail Office in the Kentucky Transportation Cabinet.

25 **(5) 2022-2024 Biennial Highway Construction Plan:** Projects in the enacted 2022-
26 2024 Biennial Highway Construction Plan are authorized to continue their current authorization
27 into the 2024-2026 fiscal biennium. If projects in previously enacted highway construction plans

1 conflict with the 2024-2026 Biennial Highway Construction Plan, the projects in the 2024-2026
2 Biennial Highway Construction Plan shall control. The Secretary shall make every effort to
3 maintain highway program delivery by adhering to the timeframes included in the 2024-2026
4 Biennial Highway Construction Plan for those projects. It is the intent of the General Assembly
5 that older projects will be removed from the Biennial Highway Construction Plan in future
6 budget bills.

7 **(6) State Match Provisions:** The Transportation Cabinet is authorized to utilize Road
8 Fund or General Fund state construction moneys or Toll Credits to match federal highway
9 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 the
12 following priority: (a) Any demonstration-specific or project-specific moneys shall be used on
13 the project identified; and (b) All other funds shall be used to ensure that projects in the fiscal
14 biennium 2024-2026 Biennial Highway Construction Plan are funded. If additional federal
15 moneys remain after these priorities are met, the Transportation Cabinet may select projects from
16 the Highway Preconstruction Program.

17 **(8) Road Fund Cash Management:** The Secretary of the Transportation Cabinet may
18 continue the Cash Management Plan to address the policy of the General Assembly to
19 expeditiously initiate and complete projects in the fiscal biennium 2024-2026 Biennial Highway
20 Construction Plan. Notwithstanding KRS Chapter 45, specifically including KRS 45.242 and
21 45.244, the Secretary may concurrently advance projects in the Biennial Highway Construction
22 Plan by employing management techniques that maximize the Cabinet's ability to contract for
23 and effectively administer the project work. Under the approved Cash Management Plan, the
24 Secretary shall continuously ensure that the unspent project and Road Fund balances available to
25 the Transportation Cabinet are sufficient to meet expenditures consistent with appropriations
26 provided. The Transportation Cabinet shall provide quarterly reports to the Interim Joint
27 Committee on Appropriations and Revenue when the General Assembly is not in session and the

1 Standing Committees on Appropriations and Revenue when the General Assembly is in session
2 beginning July 1, 2024.

3 **(9) Carry Forward of Appropriation Balances:** Notwithstanding KRS 45.229,
4 unexpended Road Fund and General Fund appropriations in the Highways budget unit for the
5 Construction program, the Maintenance program, and the Research program in fiscal year 2023-
6 2024 and in fiscal year 2024-2025 shall not lapse but shall carry forward. Unexpended Federal
7 Funds and Restricted Funds appropriations in the Highways budget unit for the Construction
8 program, the Maintenance program, the Equipment Services program, and the Research program
9 in fiscal year 2023-2024 and in fiscal year 2024-2025, up to the amount of ending cash balances
10 and unissued Highway and GARVEE Bond Funds, to include any interest income earned on
11 those bond funds, and grant balances shall not lapse but shall carry forward.

12 **(10) Federally Supported Construction Program:** Included in the above Federal Funds
13 appropriation is \$1,149,071,500 in fiscal year 2024-2025 and \$1,149,385,400 in fiscal year 2025-
14 2026 for federal construction projects.

15 **(11) Highways Maintenance:** Included in the above Road Fund appropriation is
16 \$445,929,400 in fiscal year 2024-2025 and \$450,066,700 in fiscal year 2025-2026 for Highways
17 Maintenance. Of this amount, \$10,000,000 in each fiscal year is provided to support inflationary
18 increases; \$1,200,000 in each fiscal year is provided to increase mowing to three full cycles for
19 interstates, parkways, and rural routes; and \$750,000 in each fiscal year is provided to support
20 sign rehabilitation and panel sign maintenance.

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

- 25 (a) The county name;
26 (b) The Transportation Cabinet project identification number;
27 (c) The route where the project is located;

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

11 **(13) Maintenance Reentry Employment Program:** Included in the above Road Fund
12 appropriation is \$1,000,000 in each fiscal year to support contracting with a 501(c)(3) nonprofit
13 organization that employs individuals on probation or parole supervision to perform crew-based
14 maintenance services. These individuals shall be selected with input from the Department of
15 Corrections and shall provide assistance with litter abatement, graffiti removal, and vegetation
16 control in highway districts three, five, six, and seven.

17 **(14) Federal Highways Match:** Notwithstanding KRS 45.229, the General Fund
18 appropriation balance for Federal Highways Match for fiscal years 2023-2024 and 2024-2025
19 shall not lapse and shall carry forward.

20 **(15) Grant Anticipation Revenue Vehicle (GARVEE) Bonds:** Included in the above
21 Restricted Funds appropriation is \$150,000,000 in fiscal year 2025-2026 for GARVEE Bond
22 Funds to be issued for the I-69 Ohio River Crossing Project and the completion of the Mountain
23 Parkway Widening Project.

24 **(16) New Grant Anticipation Revenue Vehicle (GARVEE) Debt Service:** Included in
25 the above appropriations is \$7,584,400 in Federal Funds and \$1,896,100 in Road Fund in fiscal
26 year 2025-2026 to support GARVEE Bonds debt service payments relating to the I-69 Ohio
27 River Crossing Project and the completion of the Mountain Parkway Widening Project.

1 **(17) County Priority Projects Program:** Included in the State Supported Construction
2 Program is \$20,000,000 in each fiscal year from the Road Fund to establish the County Priority
3 Projects Program to assist with county and city roads. This funding will be contingent on the
4 Transportation Cabinet's submission of projects and approval by the General Assembly. The
5 submission of projects shall include a detailed listing of qualified projects that were ranked either
6 an 8, 9, or 10 to be completed using funds from the Highway Construction Contingency Account
7 by November 1 of each fiscal year. Projects received after December 1 of each fiscal year may
8 not be included in the following year's County Priority Projects Program.

9 The County Priority Projects for fiscal year 2024-2025 are the projects approved and
10 itemized in 2024 Regular Session HJR 92. Notwithstanding KRS 48.710, any unexpended funds
11 in fiscal year 2024-2025 shall not lapse and shall carry forward to fiscal year 2025-2026.

12 The Transportation Cabinet shall provide an additional report to the Legislative Research
13 Commission and the Interim Joint Committee on Appropriations and Revenue detailing any
14 project submitted to be completed using funds from the Highway Construction Contingency
15 Account within 30 days after it has been ranked and shall detail the work requested, the county
16 that requested the project, and the date the request was received.

17 When a County Priority Project is completed, the Transportation Cabinet shall notify the
18 Legislative Research Commission and the Interim Joint Committee on Appropriations and
19 Revenue in writing.

20 **(18) County and City Bridge Improvement Program:** Included in the State Supported
21 Construction Program is \$25,000,000 in each fiscal year in Road Fund to establish the County
22 and City Bridge Improvement Program. Notwithstanding KRS 48.710, these funds shall not
23 lapse and shall carry forward. The Transportation Cabinet shall prepare a report for the County
24 and City Bridge Improvement Program. This report shall include a list of bridge repairs and
25 replacements that have been completed, the date in which they were completed, and a status
26 report for all other ongoing projects. This report shall be submitted to the Interim Joint
27 Committee on Appropriations and Revenue by November 1 of each year.

1 **(19) Grant Anticipation Revenue Vehicle (GARVEE) Bonds Reauthorization:** The
2 \$150,000,000 GARVEE Bond Funds to be issued for the Brent Spence Bridge Project pursuant
3 to 2022 Ky. Acts ch. 214, Part I, A., 4., (15) are reauthorized.

4 **(20) Reauthorized Grant Anticipation Revenue Vehicle (GARVEE) Bonds Debt**
5 **Service:** Included in the above appropriations is \$7,584,400 in Federal Funds and \$1,896,100 in
6 Road Fund in fiscal year 2024-2025 and \$15,168,800 in Federal Funds and \$3,792,200 in Road
7 Fund in fiscal year 2025-2026 to support GARVEE Bonds debt service payments relating to the
8 Brent Spence Bridge Project.

9 **(21) Federal Emergency Management Reimbursements:** Included in the above
10 Restricted Funds appropriation is \$14,194,300 in each fiscal year to support federal emergency
11 reimbursements for cleanup and repair of damage to roadways caused by declared disasters.

12 **(22) Equipment Replacement for Federal Compliance Standards:** Included in the
13 above Road Fund appropriation is \$2,674,500 in fiscal year 2024-2025 to support equipment
14 replacement within the Division of Materials.

15 **(23) Division of Equipment Operations:** Included in the above Restricted Funds
16 appropriation is \$12,400,000 in fiscal year 2024-2025 and \$15,400,000 in fiscal year 2025-2026
17 to maintain current operations and support the Modified Replacement Schedule within the
18 Division of Equipment.

19 **(24) Strategic Highway Investment Formula for Tomorrow Scores and Reporting:**
20 The Transportation Cabinet shall provide Strategic Highway Investment Formula for Tomorrow
21 (SHIFT) scores for each district and statewide project to the Interim Joint Committee on
22 Appropriations and Revenue by October 1 of each year.

23 **(25) Recycled Asphalt Products:** The Transportation Cabinet shall not restrict the use of
24 recycled asphalt products for any asphalt mixture used on a project, provided that the asphalt
25 mixture meets the established performance criteria. The Transportation Cabinet shall report on
26 the percentage of recycled asphalt products used in state projects to the Interim Joint Committee
27 on Appropriations and Revenue on or before November 1, 2025. It is the intent of the General

1 Assembly that by 2030, the Transportation Cabinet shall use an asphalt mixture that utilizes 30
 2 percent or greater recycled asphalt products.

3 **(26) Microsurfacing:** It is the intent of the General Assembly that the Transportation
 4 Cabinet shall no longer use microsurfacing by the year 2030.

5 **(27) Funding for Mega Projects:** It is the intent of the General Assembly that no funds
 6 for any projects involving the Mountain Parkway, the I-69 Ohio River Crossing, or the Hal
 7 Rogers Parkway shall be expended unless those projects first acquire a federal grant.

8 **5. JUDGMENTS**

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

12 **6. PUBLIC TRANSPORTATION**

	2024-25	2025-26
14 General Fund	15,575,800	15,575,800
15 Restricted Funds	706,400	721,400
16 Federal Funds	80,638,600	80,679,800
17 TOTAL	96,920,800	96,977,000

18 **(1) Nonpublic School Transportation:** Included in the above General Fund
 19 appropriation is \$5,000,000 in each fiscal year for nonpublic school transportation.
 20 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose shall
 21 lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be
 22 submitted pursuant to Part I, A., 1., (4) of this Act.

23 **7. REVENUE SHARING**

	2024-25	2025-26
25 Road Fund	389,335,000	416,771,700

26 **(1) County Road Aid Program:** Included in the above Road Fund appropriation is
 27 \$146,874,400 in fiscal year 2024-2025 and \$157,268,800 in fiscal year 2025-2026 for the

1 County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440.

2 (2) **Rural Secondary Program:** Included in the above Road Fund appropriation is
 3 \$178,175,600 in fiscal year 2024-2025 and \$190,785,200 in fiscal year 2025-2026 for the Rural
 4 Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360.

5 (3) **Municipal Road Aid Program:** Included in the above Road Fund appropriation is
 6 \$61,799,600 in fiscal year 2024-2025 and \$66,173,200 in fiscal year 2025-2026 for the
 7 Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369.

8 (4) **Energy Recovery Road Fund:** Included in the above Road Fund appropriation is
 9 \$276,000 in fiscal year 2024-2025 and \$287,000 in fiscal year 2025-2026 for the Energy
 10 Recovery Road Fund in accordance with KRS 177.977, 177.9771, 177.978, 177.979, and
 11 177.981.

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

15 (6) **County Judge/Executive Expense Allowance:** Notwithstanding KRS 67.220,
 16 County Judges/Executive not serving in a consolidated local government that served as a County
 17 Judge/Executive prior to November 2022 shall receive an annual expense allowance of \$3,600.
 18 County Judges/Executive newly elected in November 2022 or thereafter and those serving in
 19 counties with a consolidated local government shall not receive an annual expense allowance.

20 **8. VEHICLE REGULATION**

	2024-25	2025-26
21		
22	19,854,200	20,444,800
23	4,627,100	4,627,100
24	54,657,000	55,522,100
25	79,138,300	80,594,000

26 (1) **Debt Service:** Included in the above Road Fund appropriation is \$1,507,000 in each
 27 fiscal year for debt service on previously authorized bonds.

1 **(2) Regional Driver Licensing Offices Level of Service Report:** The Department of
2 Vehicle Regulation shall develop a level of service report that will provide data regarding the
3 wait times at each regional driver licensing office and an overall statewide summary. This report
4 shall include data of actual wait times from customers' arrivals to the time they reach the
5 transaction window, broken down by customers with appointments and walk-ins for each
6 regional driver licensing office. This report shall also include the total number of customer
7 transactions by type of service provided for each regional driver licensing office and
8 recommendations to improve business processes to reduce customer wait times. This report shall
9 be submitted to the Interim Joint Committee on Transportation by September 1, 2025.

10 **(3) Motor Vehicle Licensing Postage Cost:** Included in the above Road Fund
11 appropriation is \$74,500 in each fiscal year to support increased postage costs.

12 **(4) Motor Vehicle Licensing Modernization:** Included in the above Restricted Funds
13 appropriation is \$600,000 in each fiscal year to support Kentucky Automated Vehicle
14 Information System (KAVIS) personnel to complete motor vehicle licensing modernization
15 efforts.

16 **(5) County Clerk Information Technology Improvement:** Included in the above
17 Restricted Funds appropriation is \$500,000 in each fiscal year to support increased costs for
18 existing and integrating new County Clerks offices into the KentuckyWired network.

19 **(6) Vision Testing:** Notwithstanding KRS 186.577, an individual applying for renewal
20 of an operator's license or instruction permit shall not be required to submit to a test of visual
21 acuity and visual field. The Transportation Cabinet may establish a pilot project to allow for the
22 voluntary vision testing upon renewal at regional driver licensing offices.

23 **(7) Driver Licensing Regional Offices:** Included in the above Road Fund appropriation
24 is \$3,963,100 in each fiscal year for establishing three new regional offices. These funds shall
25 only be used to establish and operate regional offices.

26 **(8) Driver Licensing Additional Personnel:** Included in the above Road Fund
27 appropriation is \$2,365,400 in fiscal year 2024-2025 and \$2,417,800 in fiscal year 2025-2026 for

1 22 additional personnel for the Division of Driver Licensing.

2 (9) **Motor Vehicle Commission:** Included in the above Restricted Funds appropriation is
 3 \$1,189,300 in fiscal year 2024-2025 and \$1,689,300 in fiscal year 2025-2026 to support
 4 additional legal services, training costs, and an internal Dealer Data Base Administration System.

5 **TOTAL - TRANSPORTATION CABINET**

	2024-25	2025-26
6		
7 General Fund	17,225,800	17,225,800
8 Restricted Funds	230,693,300	385,092,800
9 Federal Funds	1,341,988,700	1,358,114,800
10 Road Fund	1,910,004,900	1,826,389,200
11 TOTAL	3,499,912,700	3,586,822,600

12 **PART II**

13 **CAPITAL PROJECTS BUDGET**

14 (1) **Capital Construction Fund Appropriations and Reauthorizations:** Moneys in the
 15 Capital Construction Fund are appropriated for the following capital projects subject to the
 16 conditions and procedures in this Act. Items listed without appropriated amounts are previously
 17 authorized for which no additional amount is required. These items are listed in order to continue
 18 their current authorization into the 2024-2026 fiscal biennium. Unless otherwise specified,
 19 reauthorized projects shall conform to the original authorization enacted by the General
 20 Assembly.

21 (2) **Expiration of Existing Line-Item Capital Construction Projects:** All
 22 appropriations to existing line-item capital construction projects expire on June 30, 2024, unless
 23 reauthorized in this Act with the following exceptions: (a) A construction contract for the project
 24 shall have been awarded by June 30, 2024; (b) Permanent financing or a short-term line of credit
 25 sufficient to cover the total authorized project scope shall have been obtained in the case of
 26 projects authorized for bonds, if the authorized project completes an initial draw on the line of
 27 credit within the biennium immediately subsequent to the original authorization; and (c) Grant or

1 loan agreements, if applicable, shall have been finalized and properly signed by all necessary
 2 parties. Notwithstanding the criteria set forth in this subsection, the disposition of 2022-2024
 3 fiscal biennium nonstatutory appropriated maintenance pools funded from Capital Construction
 4 Investment Income shall remain subject to the provisions of KRS 45.770(5)(c).

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

10 **(4) Appropriations for Projects Not Line-Itemized:** Inasmuch as the identification of
 11 specific projects cannot be ascertained with absolute certainty at this time, amounts are
 12 appropriated for specific purposes to projects which are not individually identified in this Act in
 13 the following areas: Aircraft Major Maintenance Pool - 2024-2026, Maintenance Pool - 2024-
 14 2026, and Repair Loadometers and Rest Areas - 2024-2026. Notwithstanding any statute to the
 15 contrary, projects estimated to cost \$1,000,000 and over and equipment estimated to cost
 16 \$200,000 and over shall be reported to the Capital Projects and Bond Oversight Committee.

17 **A. TRANSPORTATION CABINET**

18 Budget Units	2023-24	2024-25	2025-26
19 1. GENERAL ADMINISTRATION AND SUPPORT			
20 001. Construct Breckinridge County Maintenance and Salt Storage Facility Additional			
21 Reauthorization (\$3,000,000 Road Fund)			
22 Road Fund	500,000	-0-	-0-
23 002. Maintenance Pool - 2024-2026			
24 Road Fund	-0-	4,000,000	4,000,000
25 003. Construct Union County Maintenance and Salt Storage Facility Additional			
26 Reauthorization (\$3,000,000 Road Fund)			
27 Road Fund	500,000	-0-	-0-

1	004. Construct Whitley County Maintenance and Salt Storage Facility Additional			
2	Reauthorization (\$4,050,000 Road Fund)			
3	Road Fund	-0-	450,000	-0-
4	005. AASHTOWare Additional Reauthorization (\$2,000,000 Road Fund)			
5	Road Fund	-0-	1,000,000	600,000
6	006. Statewide Facility Security Systems Pool - 2024-2026			
7	Road Fund	-0-	300,000	300,000
8	007. Construct Hopkins County Maintenance and Salt Storage Facility Additional			
9	Reauthorization (\$2,070,000 Road Fund)			
10	Road Fund	-0-	700,000	-0-
11	008. Construct Ballard County Maintenance Facility and Salt Storage Additional			
12	Reauthorization (\$2,513,000 Road Fund)			
13	Road Fund	1,000,000	-0-	-0-
14	009. Construct Clay County District Office Additional Reauthorization (\$12,945,000 Road			
15	Fund)			
16	Road Fund	-0-	3,500,000	-0-
17	010. Construct Boyle County Bridge Crew Facility Additional Reauthorization			
18	(\$1,500,000 Road Fund)			
19	Road Fund	500,000	-0-	-0-
20	011. Permanent Salt Conveyor System - Graves County Reauthorization (\$350,000			
21	Road Fund)			
22	012. Construct District 2 Office and Materials Lab Reauthorization (\$2,000,000 Road			
23	Fund)			
24	2. AVIATION			
25	001. Aircraft Major Maintenance Pool - 2024-2026			
26	General Fund	-0-	1,200,000	1,200,000
27	002. Construct Sixteen New T-Hangars			

1	Restricted Funds	-0-	2,750,000	-0-
2	003. Construct One Aircraft Maintenance Hangar			
3	Restricted Funds	-0-	-0-	6,910,000
4	004. Construct Two Medium Sized Box Hangars			
5	Restricted Funds	-0-	-0-	1,600,000
6	005. Construct Capital City Airport Terminal Building			
7	Restricted Funds	-0-	500,000	8,500,000

8 **3. HIGHWAYS**

9	001. Repair Loadometers and Rest Areas - 2024-2026			
10	Road Fund	-0-	4,000,000	4,000,000
11	002. Road Maintenance Parks - 2024-2026			
12	Road Fund	-0-	1,500,000	1,500,000
13	003. Various Environmental Compliance - 2024-2026			
14	Road Fund	-0-	500,000	500,000
15	004. Statewide Chemical Storage Buildings			
16	Road Fund	-0-	450,000	450,000
17	005. Jefferson County - Lease			
18	006. Knott County - Lease			

19 **4. VEHICLE REGULATION**

20	001. Replace Kentucky Driver Licensing System Additional Reauthorization (\$12,000,000			
21	Bond Funds)			
22	Restricted Funds	-0-	9,000,000	4,000,000
23	Road Fund	-0-	3,000,000	3,000,000
24	TOTAL	-0-	12,000,000	7,000,000

25 **PART III**

26 **FUNDS TRANSFER**

27 The General Assembly finds that the financial condition of state government requires the

1 following action.

2 Notwithstanding the statutes or requirements of the Restricted Funds enumerated below,
 3 there is transferred to the General Fund the following amounts in fiscal year 2024-2025 and
 4 fiscal year 2025-2026:

	2024-25	2025-26
A. TRANSPORTATION CABINET		
1. Aviation		
Agency Revenue Fund	2,025,000	2,010,900
(KRS 183.525(4) and (5))		
TOTAL - FUNDS TRANSFER	2,025,000	2,010,900

11 **PART IV**

12 **TRANSPORTATION CABINET BUDGET SUMMARY**

13 **OPERATING BUDGET**

	2023-24	2024-25	2025-26
General Fund	-0-	17,225,800	17,225,800
Restricted Funds	-0-	230,693,300	385,092,800
Federal Funds	-0-	1,341,988,700	1,358,114,800
Road Fund	-0-	1,910,004,900	1,826,389,200
SUBTOTAL	-0-	3,499,912,700	3,586,822,600

20 **CAPITAL PROJECTS BUDGET**

	2023-24	2024-25	2025-26
General Fund	-0-	1,200,000	1,200,000
Restricted Funds	-0-	12,250,000	21,010,000
Road Fund	2,500,000	19,400,000	14,350,000
SUBTOTAL	2,500,000	32,850,000	36,560,000

26 **TOTAL - TRANSPORTATION CABINET BUDGET**

	2023-24	2024-25	2025-26
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1	General Fund	-0-	18,425,800	18,425,800
2	Restricted Funds	-0-	242,943,300	406,102,800
3	Federal Funds	-0-	1,341,988,700	1,358,114,800
4	Road Fund	2,500,000	1,929,404,900	1,840,739,200
5	TOTAL FUNDS	2,500,000	3,532,762,700	3,623,382,600"
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Senate Members

House Members

The above-named members, in separate votes by house, all concur in the provisions of this report.

DATE

For Clerk's Use:
Adopted: _____
Repassage Vote: _____