

1 AN ACT relating to appropriations.

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

3 ➔Section 1. KRS 45.760 is amended to read as follows:

4 The provisions of any other law notwithstanding:

5 (1) During any biennium the amount allotted, from all sources, for expenditure on any
6 project in the state capital construction program for that biennium shall not exceed
7 the estimated cost of the project during that biennium, as shown in any branch
8 budget bill enacted by the General Assembly, except as provided in this section and
9 KRS 45.770 and 45.780.

10 (2) When the General Assembly disapproves a capital project or item of equipment that
11 was previously approved, it shall be eliminated as a capital project or major item of
12 equipment in the Capital Projects Program. General fund moneys appropriated for
13 that project or item of equipment but not allotted, and general fund moneys allotted
14 but not expended to the project or equipment account, shall be transferred to the
15 capital construction and equipment purchase contingency account in the capital
16 construction fund. Agency or federal funds for a disapproved project or item, that
17 have been appropriated but unallotted or allotted but unexpended, shall be returned
18 to the appropriate agency fund. Road fund moneys for a disapproved project or item
19 that have been appropriated but unallotted or allotted but unexpended, shall be
20 returned to the Road Fund Surplus Account.

21 (3) Capital projects and major items of equipment disapproved under subsection (2) of
22 this section shall be terminated.

23 (4) During any biennium, the amount allotted from all sources for expenditure for the
24 purchase of any major item of equipment shall not exceed the estimated cost of the
25 item as shown in any branch budget bill enacted by the General Assembly and
26 authorizing the purchase, except as provided in subsections (5) and (6) of this
27 section and in KRS 45.770 and 45.780.

1 (c) Moneys utilized shall not jeopardize any existing program and shall not
2 require the use of any current general funds specifically dedicated to existing
3 programs.

4 (d) The relevant entity head, or his or her designee, shall submit the capital
5 project to the Capital Projects and Bond Oversight Committee at least
6 fourteen (14) days prior to the committee meeting. The submission shall
7 include a written certification to the committee that the transfer, in excess of
8 fifteen percent (15%) of the amount authorized by the General Assembly, is:
9 1. Paid for out of private or federal funds; or
10 2. Required by an unforeseen decision by a federal or state court or
11 regulatory agency; and
12 3. Not allotted or reallocated from moneys specifically budgeted and
13 appropriated by the General Assembly for another purpose; and
14 4. Not jeopardizing any existing program and not requiring the use of any
15 current general funds specifically dedicated to existing programs.

16 (e) If a capital project is financed with road funds, the cost overruns or scope
17 increases shall be paid out of the highway contingency account established
18 pursuant to KRS 45.247.

19 (7) A capital construction project or a major item of equipment may be authorized even
20 though it is not specifically listed in any branch budget bill, subject to the following
21 conditions and procedures:
22 (a) Fifty percent (50%) or more of the actual cost shall be funded by federal or
23 private funds, and fifty percent (50%) or less of the actual cost shall be funded
24 by moneys appropriated to the capital construction and equipment purchase
25 contingency account or, if the purpose of the project or equipment is to reduce
26 energy costs, the relevant entity head certifies projected energy cost savings
27 associated with the project or equipment are reasonable and sufficient to

1 produce an aggregate simple payback period, as defined by KRS 56.770, of
2 five (5) years or less;

3 (b) Moneys specifically budgeted and appropriated by the General Assembly for
4 another purpose shall not be allotted or reallocated for expenditure on the
5 project or major item of equipment; moneys utilized shall not jeopardize any
6 existing program and shall not require the use of any current general funds
7 specifically dedicated to existing programs; and

8 (c) The relevant entity head, or his or her designee, shall submit the project or
9 major item of equipment to the committee for review as provided by KRS
10 45.800.

11 (8) The capital construction and equipment purchase contingency fund may be used to
12 advance funds to projects authorized to be financed by bonds, to finance feasibility
13 studies for projects which may be contemplated for future funding, or to audit the
14 capital projects program when authorized by the General Assembly.

15 (9) On or before October 1, each branch of government shall submit to the committee
16 the following information:

17 (a) A complete list and summary description of every capital construction project
18 and major item of equipment not completed as of June 30 of the prior fiscal
19 year; and

20 (b) For each project and major item of equipment, as of July 1, of the current
21 fiscal year:

22 1. The project phase;

23 2. The project account number, project name, and any other term employed
24 to identify the project or major item of equipment;

25 3. The available balance in the project or major item of equipment account,
26 and any sums considered available for that project or major item of
27 equipment;

- 1 4. A statement of the transfers of funds to or from the project or major item
- 2 of equipment account; and, any account to which transfers from each
- 3 project or major item of equipment has been made;
- 4 5. The year in which the project or major item of equipment was approved,
- 5 with specific reference to the legislation by which the project or item
- 6 was approved;
- 7 6. Total expenditure on the project or major item of equipment;
- 8 7. The current estimated completion cost, including the amount required
- 9 for annual inflation; and
- 10 8. A statement that additional funds for the completion of the project or
- 11 major item of equipment are or are not required; and, if required, why
- 12 sufficient funds for completion are not available; and
- 13 (c) The balance in the appropriated, but unallotted account; and the balance in
- 14 any account, however designated, that contains appropriated, but unallotted
- 15 funds for capital construction.

16 (10) When the General Assembly authorizes a capital construction item in the capital
17 construction section of a branch budget bill, the entity head charged with executing
18 the branch budget shall construct the capital construction item according to the
19 requirements set forth in the branch budget bill, supporting documentation
20 considered by the General Assembly, and branch budget records. The entity head
21 shall not deviate from these requirements with regard to:

22 (a) Purpose or location to the extent that the capital construction item no longer
23 meets the identified needs; or

24 (b) Configuration for reasons other than practical accommodation to the
25 construction site or specific program to be accommodated within that capital
26 construction item.