

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) **Debt Service:** Included in the above Road Fund appropriation is \$7,110,100
12 in fiscal year 2020-2021 and \$7,105,900 in fiscal year 2021-2022 for debt service on
13 previously authorized bonds.

14 (3) **Adopt-A-Highway Litter Program:** The Transportation Cabinet and the
15 Energy and Environment Cabinet may receive, accept, and solicit grants, contributions of
16 money, property, labor, or other things of value from any governmental agency,
17 individual, nonprofit organization, or private business to be used for the Adopt-a-
18 Highway Litter Program or other statewide litter programs. Any contribution of this
19 nature shall be deemed to be a contribution to a state agency for a public purpose and
20 shall be treated as Restricted Funds under KRS Chapter 45 and reported according to
21 KRS Chapter 48, and shall not be subject to restrictions set forth under KRS Chapter
22 11A.

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

27 **2. AVIATION**

	2020-21	2021-22
1		
2	21,221,400	21,221,400
3	500,000	500,000
4	2,797,700	1,806,700
5	24,519,100	23,528,100

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

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

14 **3. DEBT SERVICE**

	2020-21	2021-22
15		
16	147,991,400	139,139,600

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

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

27 **4. HIGHWAYS**

	2020-21	2021-22
1		
2	113,846,700	113,846,700
3	725,999,900	725,999,900
4	826,464,900	826,464,900
5	1,666,311,500	1,666,311,500

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

10 **(2) State Supported Construction Program:** Included in the above Road Fund
11 appropriation is \$305,722,400 in fiscal year 2020-2021 and \$308,554,600 in fiscal year
12 2021-2022 for the State Supported Construction Program.

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

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

1 used to research the merits and responsibilities of the Kentucky Rail Office in the
2 Kentucky Transportation Cabinet and establish and 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) State Match Provisions:** The Transportation Cabinet is authorized to utilize
12 state construction moneys or Toll Credits to match federal highway moneys.

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

20 **(8) Road Fund Cash Management:** The Secretary of the Transportation Cabinet
21 may continue the Cash Management Plan to address the policy of the General Assembly
22 to expeditiously initiate and complete projects in the fiscal biennium 2020-2022 Biennial
23 Highway Construction Plan. Notwithstanding KRS Chapter 45, specifically including
24 KRS 45.242 and 45.244, the Secretary may concurrently advance projects in the Biennial
25 Highway Construction Plan by employing management techniques that maximize the
26 Cabinet's ability to contract for and effectively administer the project work. Under the
27 approved Cash Management Plan, the Secretary shall continuously ensure that the

1 unspent project and Road Fund balances available to the Transportation Cabinet are
2 sufficient to meet expenditures consistent with appropriations provided. The
3 Transportation Cabinet shall provide quarterly reports to the Interim Joint Committee on
4 Appropriations and Revenue when the General Assembly is not in session and the
5 Standing Committees on Appropriations and Revenue when the General Assembly is in
6 session beginning July 1, 2020.

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

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

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

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

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

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

22 **5. JUDGMENTS**

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

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

1 **6. PUBLIC TRANSPORTATION**

2		2020-21	2021-22
3	General Fund	5,589,000	13,989,000
4	Restricted Funds	9,083,600	9,083,600
5	Federal Funds	25,757,400	25,757,400
6	TOTAL	40,430,000	48,830,000

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

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

12 **7. REVENUE SHARING**

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

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

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

27 **(3) Municipal Road Aid Program:** Included in the above Road Fund

1 appropriation is \$53,300,700 in fiscal year 2020-2021 and \$54,301,300 in fiscal year
 2 2021-2022 for the Municipal Road Aid Program in accordance with KRS 177.365,
 3 177.366, and 177.369. Notwithstanding KRS 177.320(4) and 177.365(1), the above
 4 amount has been reduced by \$16,000, which has been appropriated to the Highways
 5 budget unit for the support of the Kentucky Transportation Center.

6 **(4) Energy Recovery Road Fund:** Included in the above Road Fund
 7 appropriation is \$334,000 in each fiscal year for the Energy Recovery Road Fund in
 8 accordance with KRS 177.977, 177.9771, 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 the 2020-2022 fiscal
 12 biennium. 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**

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

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**

	2019-20	2020-21	2021-22
26			
27	General Fund	-0-	6,089,000

1	Restricted Funds	-0-	161,464,300	161,464,300
2	Federal Funds	-0-	754,897,400	754,897,400
3	Road Fund	4,265,500	1,443,866,500	1,440,236,500
4	TOTAL	4,265,500	2,366,317,200	2,371,087,200

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	2019-20	2020-21	2021-22
13 1. GENERAL ADMINISTRATION AND SUPPORT			
14 001. Maintenance Pool - 2020-2022			
15 Road Fund	-0-	2,950,000	2,950,000
16 002. Construct Whitley County Maintenance Facility and Salt Structure			
17 Road Fund	-0-	2,550,000	-0-
18 003. Construct Nicholas County Maintenance Facility and Salt Storage			
19 Road Fund	-0-	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	-0-	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	-0-	1,000,000	1,000,000
2	008. Construct Casey County Maintenance Facility			
3	Restricted Funds	660,000	-0-	-0-
4	Road Fund	800,000	-0-	-0-
5	TOTAL	1,460,000	-0-	-0-

6 **2. AVIATION**

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

8	Investment Income	-0-	700,000	700,000
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9 **3. HIGHWAYS**

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

11	Road Fund	-0-	1,500,000	1,500,000
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12 **002. Road Maintenance Parks – 2020-2022**

13	Road Fund	-0-	1,250,000	1,250,000
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14 **003. Various Environmental Compliance – 2020-2022**

15	Road Fund	-0-	490,000	490,000
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16 **004. Transportation Warehouse Facility Renovation or Replacement**

17	Road Fund	-0-	1,500,000	-0-
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18 **005. Jefferson County – Lease**

19 **PART III**

20 **FUNDS TRANSFER**

21 The General Assembly finds that the financial condition of state government
22 requires the following action.

23 Notwithstanding the statutes or requirements of the Restricted Funds enumerated
24 below, there is transferred to the General Fund the following amounts in fiscal year 2020-
25 2021 and fiscal year 2021-2022:

26 **2020-21** **2021-22**

27 **A. TRANSPORTATION CABINET**

1	1. Aviation		
2	Agency Revenue Fund	438,400	428,800
3	(KRS 183.525(4) and (5))		
4	2. Vehicle Regulation		
5	Agency Revenue Fund	4,400,000	4,400,000
6	(KRS 186.040(6)(a))		
7	3. Vehicle Regulation		
8	Agency Revenue Fund	-0-	2,000,000
9	(KRS 186.040(6)(b))		
10	4. Vehicle Regulation		
11	Agency Revenue Fund	-0-	300,000
12	(KRS 235.080, 235.085, and 235.130)		
13	TOTAL - FUNDS TRANSFER	4,838,400	7,128,800

PART IV

TRANSPORTATION CABINET BUDGET SUMMARY

OPERATING BUDGET

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

CAPITAL PROJECTS BUDGET

	2019-20	2020-21	2021-22
25 Restricted Funds	660,000	-0-	-0-
26 Road Fund	800,000	13,940,000	7,190,000
27 Investment Income	-0-	700,000	700,000

1	SUBTOTAL	1,460,000	14,640,000	7,890,000
2	TOTAL - TRANSPORTATION CABINET BUDGET			
3		2019-20	2020-21	2021-22
4	General Fund	-0-	6,089,000	14,489,000
5	Restricted Funds	660,000	161,464,300	161,464,300
6	Federal Funds	-0-	754,897,400	754,897,400
7	Road Fund	5,065,500	1,457,806,500	1,447,426,500
8	Investment Income	-0-	700,000	700,000
9	TOTAL FUNDS	5,725,500	2,380,957,200	2,378,977,200