

1 AN ACT relating to appropriations providing financing and conditions for the
2 operations, maintenance, support, and functioning of the government of the
3 Commonwealth of Kentucky.

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

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

6 **PART I**

7 **OPERATING BUDGET**

8 **(1) Funds Appropriations:** There is appropriated out of the General Fund, Road
9 Fund, Restricted Funds accounts, Federal Funds accounts, or Bond Funds accounts for the
10 fiscal year beginning July 1, 2019, and ending June 30, 2020, for the fiscal year beginning
11 July 1, 2020, and ending June 30, 2021, and for the fiscal year beginning July 1, 2021,
12 and ending June 30, 2022, the following discrete sums, or so much thereof as may be
13 necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each
14 appropriation is made by source of respective fund or funds accounts. Appropriations for
15 the budget units of the Transportation Cabinet are subject to the provisions of Chapters
16 12, 42, 45, and 48 of the Kentucky Revised Statutes and compliance with the conditions
17 and procedures set forth in this Act.

18 **A. TRANSPORTATION CABINET**

19 **Budget Units**

20 **1. GENERAL ADMINISTRATION AND SUPPORT**

	2020-21	2021-22
22 General Fund	500,000	500,000
23 Restricted Funds	2,672,100	2,676,600
24 Road Fund	85,112,100	85,493,100
25 TOTAL	88,284,200	88,669,700

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	16,224,900
2	Federal Funds	672,000	500,000
3	Road Fund	2,797,700	1,805,600
4	TOTAL	24,691,100	18,530,500

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	123,458,100	150,238,300
2	Federal Funds	955,999,900	962,500,500
3	Road Fund	905,271,800	935,647,200
4	TOTAL	1,984,729,800	2,048,386,000

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 \$321,391,800 in fiscal year 2020-2021 and \$350,671,500 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 \$184,016,300 in fiscal year 2020-2021 and \$209,071,500 in
14 fiscal year 2021-2022 from the Road Fund for state construction projects in the 2020-
15 2022 Biennial Highway Construction Program. The fiscal year 2020-2021 appropriation
16 includes \$68,806,900 for projects in the 2020-2022 Biennial Highway Construction
17 Program with a fund designation of "PM." The fiscal year 2021-2022 appropriation
18 includes \$108,133,000 for projects in the 2020-2022 Biennial Highway Construction
19 Program with a fund designation of "FED."

20 **(4) Highway Construction Contingency Account:** Included in the State
21 Supported Construction Program is \$26,600,000 in fiscal year 2020-2021 and
22 \$16,600,000 in fiscal year 2021-2022 for the Highway Construction Contingency
23 Account. Notwithstanding KRS 45.247(2), (4), (6), (7), and (8), the Secretary shall only
24 expend Highway Construction Contingency moneys for projects of an emergency nature,
25 for projects that relieve a hazardous condition, or to provide the state match for
26 unanticipated Federal Funds made available as a result of other states not utilizing their
27 total federal obligations. Notwithstanding KRS 224.43-505(2)(d), included in the

1 Highway Construction Contingency Account is \$5,000,000 in each fiscal year for the
2 Kentucky Pride Fund created in KRS 224.43-505. Also included in the Highway
3 Construction Contingency Account for Railroads is \$1,600,000 in each fiscal year for
4 public safety and service improvements which shall not be expended unless matched with
5 non-state funds equaling at least 20 percent of the total amount for any individual project.
6 Additionally, in each fiscal year, up to \$350,000 of the \$1,600,000 appropriation may be
7 used to research the merits and responsibilities of the Kentucky Rail Office in the
8 Kentucky Transportation Cabinet and establish and administer the Kentucky Rail Office.

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

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

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

22 **(8) Federal Aid Highway Funds:** If additional federal highway moneys are made
23 available to Kentucky by the United States Congress, the funds shall be used according to
24 the following priority: (a) Any demonstration-specific or project-specific moneys shall be
25 used on the project identified; and (b) All other funds shall be used to ensure that projects
26 in the fiscal biennium 2020-2022 Biennial Highway Construction Plan are funded. If
27 additional federal moneys remain after these priorities are met, the Transportation

1 Cabinet may select projects from the Highway Preconstruction Program.

2 **(9) Road Fund Cash Management:** The Secretary of the Transportation Cabinet
3 may continue the Cash Management Plan to address the policy of the General Assembly
4 to expeditiously initiate and complete projects in the fiscal biennium 2020-2022 Biennial
5 Highway Construction Plan. Notwithstanding KRS Chapter 45, specifically including
6 KRS 45.242 and 45.244, the Secretary may concurrently advance projects in the Biennial
7 Highway Construction Plan by employing management techniques that maximize the
8 Cabinet's ability to contract for and effectively administer the project work. Under the
9 approved Cash Management Plan, the Secretary shall continuously ensure that the
10 unspent project and Road Fund balances available to the Transportation Cabinet are
11 sufficient to meet expenditures consistent with appropriations provided. The
12 Transportation Cabinet shall provide quarterly reports to the Interim Joint Committee on
13 Appropriations and Revenue when the General Assembly is not in session and the
14 Standing Committees on Appropriations and Revenue when the General Assembly is in
15 session beginning July 1, 2020.

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

26 **(11) Federally Supported Construction Program:** Included in the above Federal
27 Funds appropriation is \$852,506,400 in fiscal year 2020-2021 and \$856,313,300 in fiscal

1 year 2021-2022 for federal construction projects.

2 **(12) Highways Maintenance:** Included in the above Highways Road Fund
3 appropriation is \$399,379,300 in fiscal year 2020-2021 and \$393,769,000 in fiscal year
4 2021-2022 for Highways Maintenance. Highways Maintenance positions may be filled to
5 the extent the above funding level and the Highways Maintenance continuing
6 appropriation are sufficient to support those positions.

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

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

26 **(14) Maintenance Reentry Employment Program:** Included in the above Road
27 Fund appropriation is \$250,000 in each fiscal year to support contracting with a 501(c)(3)

1 nonprofit organization that employs individuals on probation or parole supervision to
2 perform crew-based maintenance services. These individuals will be selected with input
3 from the Department of Corrections and shall provide assistance with litter abatement,
4 graffiti removal, and vegetation control.

5 **5. JUDGMENTS**

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

9 **6. PUBLIC TRANSPORTATION**

	2020-21	2021-22
11 General Fund	5,589,000	13,989,000
12 Restricted Funds	9,203,600	685,300
13 Federal Funds	66,287,400	25,800,200
14 TOTAL	81,080,000	40,474,500

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

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

20 **7. REVENUE SHARING**

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

23 (1) **County Road Aid Program:** Included in the above Road Fund appropriation
24 is \$126,675,800 in fiscal year 2020-2021 and \$129,053,900 in fiscal year 2021-2022 for
25 the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and
26 179.440. Notwithstanding KRS 177.320(2) and (4), the above amount has been reduced
27 by \$38,000 in each year, which has been appropriated to the Highways budget unit for the

1 support of the Kentucky Transportation Center.

2 (2) **Rural Secondary Program:** Included in the above Road Fund appropriation
3 is \$153,672,400 in fiscal year 2020-2021 and \$156,557,200 in fiscal year 2021-2022 for
4 the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340,
5 177.350, and 177.360. Notwithstanding KRS 177.320(1) and (4), the above amount has
6 been reduced by \$46,000 in each year, which has been appropriated to the Highways
7 budget unit for the support of the Kentucky Transportation Center.

8 (3) **Municipal Road Aid Program:** Included in the above Road Fund
9 appropriation is \$53,300,700 in fiscal year 2020-2021 and \$54,301,300 in fiscal year
10 2021-2022 for the Municipal Road Aid Program in accordance with KRS 177.365,
11 177.366, and 177.369. Notwithstanding KRS 177.320(4) and 177.365(1), the above
12 amount has been reduced by \$16,000 in each year, which has been appropriated to the
13 Highways budget unit for the support of the Kentucky Transportation Center.

14 (4) **Energy Recovery Road Fund:** Included in the above Road Fund
15 appropriation is \$165,000 in fiscal year 2020-2021 and \$142,000 in fiscal year 2021-2022
16 for the Energy Recovery Road Fund in accordance with KRS 177.977, 177.9771,
17 177.978, 177.979, and 177.981.

18 (5) **County Judge/Executive Expense Allowance:** Notwithstanding KRS
19 67.722, each County Judge/Executive not serving in a consolidated local government
20 shall receive an annual expense allowance of \$2,400 during the 2020-2022 fiscal
21 biennium. Payment shall be made quarterly from the Rural Secondary Program.

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

25 **8. VEHICLE REGULATION**

	2019-20	2020-21	2021-22
26			
27	Restricted Funds	-0-	14,640,500
		15,685,800	

1	Federal Funds	-0-	2,640,100	3,127,100
2	Road Fund	4,265,500	46,232,900	45,483,500
3	TOTAL	4,265,500	63,513,500	64,296,400

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

7 **(2) Regional Driver License Office:** Included in the above Road Fund
 8 appropriation in fiscal year 2021-2022 is sufficient funding to operate a regional driver
 9 license issuing office in the city of London. If established, the office shall not replace any
 10 current or proposed office.

11 **TOTAL - TRANSPORTATION CABINET**

12		2019-20	2020-21	2021-22
13	General Fund	-0-	6,089,000	14,489,000
14	Restricted Funds	-0-	171,195,700	185,510,900
15	Federal Funds	-0-	1,025,599,400	991,927,800
16	Road Fund	4,265,500	1,522,673,400	1,549,049,300
17	TOTAL	4,265,500	2,725,557,500	2,740,977,000

18 **PART II**

19 **CAPITAL PROJECTS BUDGET**

20 **(1) Capital Construction Fund Appropriations and Reauthorizations:**
 21 Moneys in the Capital Construction Fund are appropriated for the following capital
 22 projects subject to the conditions and procedures in this Act. Items listed without
 23 appropriated amounts are previously authorized for which no additional amount is
 24 required. These items are listed in order to continue their current authorization into the
 25 2020-2022 fiscal biennium. Unless otherwise specified, reauthorized projects shall
 26 conform to the original authorization enacted by the General Assembly.

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

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

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

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

24 **A. TRANSPORTATION CABINET**

25 Budget Units	2019-20	2020-21	2021-22
26 1. GENERAL ADMINISTRATION AND SUPPORT			
27 001. Maintenance Pool 2020-2022			

1	Road Fund	-0-	2,950,000	2,950,000
2	002. Construct Whitley County Maintenance Facility and Salt Structure			
3	Road Fund	-0-	1,050,000	-0-
4	003. Construct Nicholas County Maintenance Facility and Salt Storage			
5	Road Fund	-0-	2,000,000	-0-
6	004. Construct Ballard County Maintenance Facility and Salt Storage Additional			
7	Reauthorization (\$1,584,000 Road Fund)			
8	Road Fund	-0-	700,000	-0-
9	005. Construct Hopkins County Maintenance Facility and Salt Storage			
10	Reauthorization (\$1,800,000 Road Fund)			
11	006. Construct Clay County District Office Reauthorization (\$7,445,000 Road			
12	Fund)			
13	007. AASHTOWare			
14	Road Fund	-0-	1,000,000	1,000,000
15	008. Construct Casey County Maintenance Facility			
16	Restricted Funds	660,000	-0-	-0-
17	Road Fund	800,000	-0-	-0-
18	TOTAL	1,460,000	-0-	-0-
19	009. District 6 District Office and Materials Lab			
20	Road Fund	-0-	1,500,000	-0-
21	010. Replace Automated Vehicle Information System (AVIS) - Additional			
22	Reauthorization (\$25,000,000 Bond Funds)			
23	Restricted Funds	-0-	-0-	4,000,000
24	2. AVIATION			
25	001. Aircraft Maintenance Pool - 2020-2022			
26	Restricted Funds	-0-	-0-	300,000
27	Investment Income	-0-	700,000	700,000

1	Special Revenue Fund	-0-	899,300
2	3. Vehicle Regulation		
3	Agency Revenue Fund	4,400,000	400,000
4	(KRS 186.040(6)(a))		
5	4. Vehicle Regulation		
6	Agency Revenue Fund	-0-	2,000,000
7	(KRS 186.040(6)(b))		
8	5. Vehicle Regulation		
9	Agency Revenue Fund	-0-	700,000
10	(KRS 186.240(2) and (3))		
11	6. Vehicle Regulation		
12	Agency Revenue Fund	-0-	300,000
13	(KRS 235.080, 235.085, and 235.130)		
14	TOTAL - FUNDS TRANSFER	4,838,400	4,728,100

PART IV**TRANSPORTATION CABINET BUDGET SUMMARY****OPERATING BUDGET**

	2019-20	2020-21	2021-22	
18				
19	General Fund	-0-	6,089,000	14,489,000
20	Restricted Funds	-0-	171,195,700	185,510,900
21	Federal Funds	-0-	1,025,599,400	991,927,800
22	Road Fund	4,265,500	1,522,673,400	1,549,049,300
23	SUBTOTAL	4,265,500	2,725,557,500	2,740,977,000

CAPITAL PROJECTS BUDGET

	2019-20	2020-21	2021-22	
25				
26	Restricted Funds	660,000	-0-	4,300,000
27	Road Fund	800,000	13,940,000	7,190,000

1 (c) No surplus moneys in any fiscal year shall be reserved for Necessary
2 Government Expenses in a subsequent fiscal year; and

3 (2) The Secretary of the Finance and Administration Cabinet shall determine,
4 within 30 days after the close of each fiscal year, based on the official financial records of
5 the Commonwealth, the amount of actual General Fund undesignated fund balance for the
6 General Fund Surplus Account that may be available for expenditure pursuant to the Plan
7 in fiscal year 2020-2021 and fiscal year 2021-2022. The Secretary of the Finance and
8 Administration Cabinet shall certify the amount of actual General Fund undesignated
9 fund balance available for expenditure to the Legislative Research Commission."