

AN ACT relating to appropriations providing financing and conditions for the operations, maintenance, support, and functioning of the Transportation Cabinet of the Commonwealth of Kentucky.

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

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

PART I

OPERATING BUDGET

(1) **Funds Appropriations:** Notwithstanding KRS 48.110, 48.120(4), 48.300, and any statute to the contrary, 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, 2019, and ending June 30, 2020, for the fiscal year beginning July 1, 2020, and ending June 30, 2021, 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. GENERAL ADMINISTRATION AND SUPPORT

	2020-21	2021-22
General Fund	500,000	-0-
Restricted Funds	2,672,100	-0-
Road Fund	85,112,100	-0-
TOTAL	88,284,200	-0-

(1) **Biennial Highway Construction Plan:** The Secretary of the Transportation 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 for debt service on previously authorized bonds.

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

21 (4) **Riverport Improvements:** Included in the above General Fund appropriation
22 is \$500,000 in fiscal year 2020-2021 to improve public riverports within Kentucky. The
23 Secretary of the Transportation Cabinet, in conjunction with the Kentucky Water
24 Transportation Advisory Board, shall determine how the funds are distributed.

25 2. AVIATION

26		2020-21	2021-22
27	Restricted Funds	21,221,400	-0-

1	Federal Funds	500,000	-0-
2	Road Fund	2,797,700	-0-
3	TOTAL	24,519,100	-0-

4 **(1) Operational Costs:** Notwithstanding KRS 183.525(5), the above Restricted
5 Funds appropriation includes operational costs of the program in fiscal year 2020-2021.

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

11 **3. DEBT SERVICE**

12		2020-21	2021-22
13	Road Fund	147,991,400	-0-

14 **(1) Economic Development Road Lease-Rental Payments:** Included in the
15 above Road Fund appropriation is \$147,991,400 in fiscal year 2020-2021 for Economic
16 Development Road lease-rental payments relating to projects financed by Economic
17 Development Road Revenue Bonds previously authorized by the General Assembly and
18 issued by the Kentucky Turnpike Authority.

19 **(2) Debt Payment Acceleration Fund Account:** Notwithstanding KRS 175.505,
20 no portion of the revenues to the state Road Fund provided by the adjustments in KRS
21 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment
22 Acceleration Fund account during the 2020-2022 fiscal biennium.

23 **4. HIGHWAYS**

24		2020-21	2021-22
25	Restricted Funds	113,846,700	-0-
26	Federal Funds	725,999,900	-0-
27	Road Fund	826,464,900	-0-

1	TOTAL	1,666,311,500	-0-
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(1) **Debt Service:** Included in the above Federal Funds appropriation is \$79,468,700 in fiscal year 2020-2021 for debt service on Grant Anticipation Revenue Vehicle (GARVEE) Bonds previously appropriated by the General Assembly.

5 **(2) State Supported Construction Program:** Included in the above Road Fund
6 appropriation is \$256,669,600 in fiscal year 2020-2021 for the State Supported
7 Construction Program.

8 **(3) Biennial Highway Construction Program:** Included in the State Supported
9 Construction Program is \$115,069,600 in fiscal year 2020-2021 from the Road Fund for
10 state construction projects in the fiscal biennium 2020-2022 Biennial Highway
11 Construction Program.

(4) **Highway Construction Contingency Account:** Included in the State Supported Construction Program is \$16,600,000 in fiscal year 2020-2021 for the Highway Construction Contingency Account. Notwithstanding KRS 45.247(4), the Secretary shall not expend Highway Construction Contingency moneys for purposes he or she determines to be a priority. Notwithstanding KRS 224.43-505(2)(d), included in the Highway Construction Contingency Account is \$5,000,000 in fiscal year 2020-2021 for the Kentucky Pride Fund created in KRS 224.43-505. Also included in the Highway Construction Contingency Account for Railroads is \$1,600,000 in fiscal year 2020-2021 for public safety and service improvements which shall not be expended unless matched with non-state funds equaling at least 20 percent of the total amount for any individual project. Additionally, in fiscal year 2020-2021, up to \$350,000 of the \$1,600,000 appropriation may be used to research the merits and responsibilities of the Kentucky Rail Office in the Kentucky Transportation Cabinet and establish and administer the Kentucky Rail Office.

26 **(5) 2018-2020 Biennial Highway Construction Plan:** Projects in the enacted
27 2018-2020 Biennial Highway Construction Plan are authorized to continue their current

1 authorization into the 2020-2022 fiscal biennium. If projects in previously enacted
2 highway construction plans conflict with the 2020-2022 Biennial Highway Construction
3 Plan, the projects in the 2020-2022 Biennial Highway Construction Plan shall control.
4 The Secretary shall make every effort to maintain highway program delivery by adhering
5 to the timeframes included in the 2020-2022 Biennial Highway Construction Plan for
6 those projects.

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

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

16 **(8) Road Fund Cash Management:** The Secretary of the Transportation Cabinet
17 may continue the Cash Management Plan to address the policy of the General Assembly
18 to expeditiously initiate and complete projects in the fiscal biennium 2020-2022 Biennial
19 Highway Construction Plan. Notwithstanding KRS Chapter 45, specifically including
20 KRS 45.242 and 45.244, the Secretary may concurrently advance projects in the Biennial
21 Highway Construction Plan by employing management techniques that maximize the
22 Cabinet's ability to contract for and effectively administer the project work. Under the
23 approved Cash Management Plan, the Secretary shall continuously ensure that the
24 unspent project and Road Fund balances available to the Transportation Cabinet are
25 sufficient to meet expenditures consistent with appropriations provided. The
26 Transportation Cabinet shall provide quarterly reports to the Interim Joint Committee on
27 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
2 session beginning July 1, 2020.

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

13 **(10) Federally Supported Construction Program:** Included in the above Federal
14 Funds appropriation is \$624,506,400 in fiscal year 2020-2021 for federal construction
15 projects.

16 **(11) Highways Maintenance:** Included in the above Highways Road Fund
17 appropriation is \$399,379,300 in fiscal year 2020-2021 for Highways Maintenance.
18 Highways Maintenance positions may be filled to the extent the above funding level and
19 the Highways Maintenance continuing appropriation are sufficient to support those
20 positions.

21 **(12) Delayed Projects Status Report:** The Secretary of the Transportation
22 Cabinet shall report by September 30 of fiscal year 2020-2021 to the Interim Joint
23 Committee on Transportation any project included in the enacted Biennial Highway
24 Construction Plan which has been delayed beyond the fiscal year for which the project
25 was authorized. The report shall include:

26 (a) The county name;

27 (b) The Transportation Cabinet project identification number;

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

13 **(13) Maintenance Reentry Employment Program:** Included in the above Road
 14 Fund appropriation is \$250,000 in fiscal year 2020-2021 to support contracting with a
 15 501(c)(3) nonprofit organization that employs individuals on probation or parole
 16 supervision to perform crew-based maintenance services. These individuals will be
 17 selected with input from the Department of Corrections and shall provide assistance with
 18 litter abatement, graffiti removal, and vegetation control.

19 **5. JUDGMENTS**

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

23 **6. PUBLIC TRANSPORTATION**

24		2020-21	2021-22
25	General Fund	5,589,000	-0-
26	Restricted Funds	9,083,600	-0-
27	Federal Funds	25,757,400	-0-

1	TOTAL	40,430,000	-0-
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(1) **Toll Credits:** The Transportation Cabinet is authorized to maximize, to the extent necessary, the use of Toll Credits to match Federal Funds for transit systems capital grants.

5 **(2) Nonpublic School Transportation:** Included in the above General Fund
6 appropriation is \$3,500,000 in fiscal year 2020-2021 for nonpublic school transportation.

7. REVENUE SHARING

8		2020-21	2021-22
9	Road Fund	350,007,300	-0-

10 **(1) County Road Aid Program:** Included in the above Road Fund appropriation
11 is \$132,307,900 in fiscal year 2020-2021 for the County Road Aid Program in accordance
12 with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2)
13 and (4), the above amount has been reduced by \$38,000, which has been appropriated to
14 the Highways budget unit for the support of the Kentucky Transportation Center.

15 **(2) Rural Secondary Program:** Included in the above Road Fund appropriation
16 is \$160,383,400 in fiscal year 2020-2021 for the Rural Secondary Program in accordance
17 with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS
18 177.320(1) and (4), the above amount has been reduced by \$46,000, which has been
19 appropriated to the Highways budget unit for the support of the Kentucky Transportation
20 Center.

21 **(3) Municipal Road Aid Program:** Included in the above Road Fund
22 appropriation is \$55,628,400 in fiscal year 2020-2021 for the Municipal Road Aid
23 Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS
24 177.320(4) and 177.365(1), the above amount has been reduced by \$16,000, which has
25 been appropriated to the Highways budget unit for the support of the Kentucky
26 Transportation Center.

27 **(4) Energy Recovery Road Fund:** Included in the above Road Fund

1 appropriation is \$334,000 in fiscal year 2020-2021 for the Energy Recovery Road Fund in
2 accordance with KRS 177.977, 177.9771, 177.978, 177.979, and 177.981.

3 **(5) County Judge/Executive Expense Allowance:** Notwithstanding KRS
4 67.722, each County Judge/Executive not serving in a consolidated local government
5 shall receive an annual expense allowance of \$2,400 during the 2020-2022 fiscal
6 biennium. Payment shall be made quarterly from the Rural Secondary Program.

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

10 **8. VEHICLE REGULATION**

11		2019-20	2020-21	2021-22
12	Restricted Funds	-0-	14,640,500	-0-
13	Federal Funds	-0-	2,640,100	-0-
14	Road Fund	4,265,500	46,232,900	-0-
15	TOTAL	4,265,500	63,513,500	-0-

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

18 **TOTAL - TRANSPORTATION CABINET**

19		2019-20	2020-21	2021-22
20	General Fund	-0-	6,089,000	-0-
21	Restricted Funds	-0-	161,464,300	-0-
22	Federal Funds	-0-	754,897,400	-0-
23	Road Fund	4,265,500	1,458,606,300	-0-
24	TOTAL	4,265,500	2,381,057,000	-0-

25 **PART II**

26 **CAPITAL PROJECTS BUDGET**

27 **(1) Capital Construction Fund Appropriations and Reauthorizations:**

1 Moneys in the Capital Construction Fund are appropriated for the following capital
2 projects subject to the conditions and procedures in this Act. Items listed without
3 appropriated amounts are previously authorized for which no additional amount is
4 required. These items are listed in order to continue their current authorization into the
5 2020-2022 fiscal biennium. Unless otherwise specified, reauthorized projects shall
6 conform to the original authorization enacted by the General Assembly.

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

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

24 **(4) Appropriations for Projects Not Line-Itemized:** Inasmuch as the
25 identification of specific projects cannot be ascertained with absolute certainty at this
26 time, amounts are appropriated for specific purposes to projects which are not
27 individually identified in this Act in the following area: Aircraft Maintenance Pool.

Notwithstanding any statute to the contrary, projects estimated to cost \$1,000,000 and over and equipment estimated to cost \$200,000 and over shall be reported to the Capital Projects and Bond Oversight Committee.

A. TRANSPORTATION CABINET

Budget Units	2019-20	2020-21	2021-22
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1. GENERAL ADMINISTRATION AND SUPPORT

001. Maintenance Pool - 2020-2022

Road Fund	-0-	2,950,000	-0-
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002. Construct Whitley County Maintenance Facility and Salt Structure

Road Fund	-0-	2,550,000	-0-
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003. Construct Nicholas County Maintenance Facility and Salt Storage

Road Fund	-0-	2,000,000	-0-
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004. Construct Ballard County Maintenance Facility and Salt Storage – Additional

Reauthorization (\$1,584,000 Road Fund)

Road Fund	-0-	700,000	-0-
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005. Construct Hopkins County Maintenance Facility and Salt Storage –

Reauthorization (\$1,800,000 Road Fund)

006. Construct Clay County District Office – Reauthorization (\$7,445,000 Road

Fund)

007. AASHTOWare

Road Fund	-0-	1,000,000	-0-
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008. Construct Casey County Maintenance Facility

Restricted Funds	660,000	-0-	-0-
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Road Fund	800,000	-0-	-0-
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TOTAL	1,460,000	-0-	-0-
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2. AVIATION

001. Aircraft Maintenance Pool – 2020-2022

1	Investment Income	-0-	700,000	-0-
2	3. HIGHWAYS			
3	001. Repair Loadometer and Rest Areas – 2020-2022			
4	Road Fund	-0-	1,500,000	-0-
5	002. Road Maintenance Parks – 2020-2022			
6	Road Fund	-0-	1,250,000	-0-
7	003. Various Environmental Compliance – 2020-2022			
8	Road Fund	-0-	490,000	-0-
9	004. Transportation Warehouse Facility Renovation or Replacement			
10	Road Fund	-0-	1,500,000	-0-
11	005. Jefferson County – Lease			

PART III**FUNDS TRANSFER**

14 The General Assembly finds that the financial condition of state government
 15 requires the following action.

16 Notwithstanding the statutes or requirements of the Restricted Funds enumerated
 17 below, there is transferred to the General Fund the following amounts in fiscal year 2020-
 18 2021:

19		2020-21	2021-22
20	A. TRANSPORTATION CABINET		
21	1. Aviation		
22	Agency Revenue Fund	438,400	-0-
23	(KRS 183.525(4) and (5))		
24	2. Vehicle Regulation		
25	Agency Revenue Fund	4,400,000	-0-
26	(KRS 186.040(6)(a))		
27	TOTAL - FUNDS TRANSFER	4,838,400	-0-

1	PART IV			
2	TRANSPORTATION CABINET BUDGET SUMMARY			
3	OPERATING BUDGET			
4		2019-20	2020-21	2021-22
5	General Fund	-0-	6,089,000	-0-
6	Restricted Funds	-0-	161,464,300	-0-
7	Federal Funds	-0-	754,897,400	-0-
8	Road Fund	4,265,500	1,458,606,300	-0-
9	SUBTOTAL	4,265,500	2,381,057,000	-0-
10	CAPITAL PROJECTS BUDGET			
11		2019-20	2020-21	2021-22
12	Restricted Funds	660,000	-0-	-0-
13	Road Fund	800,000	13,940,000	-0-
14	Investment Income	-0-	700,000	-0-
15	SUBTOTAL	1,460,000	14,640,000	-0-
16	TOTAL - TRANSPORTATION CABINET BUDGET			
17		2019-20	2020-21	2021-22
18	General Fund	-0-	6,089,000	-0-
19	Restricted Funds	660,000	161,464,300	-0-
20	Federal Funds	-0-	754,897,400	-0-
21	Road Fund	5,065,500	1,472,546,300	-0-
22	Investment Income	-0-	700,000	-0-
23	TOTAL FUNDS	5,725,500	2,395,697,000	-0-