Kentucky's Spending Plan

The 2020 General Assembly has developed an approved spending plan and appropriated funds in fiscal year 2020-2021 to administer under the Volkswagen Settlement beginning July 1, 2020.  Kentucky’s portion of the national trust is $20.3 million.

Based on the General Assembly’s approved plan, The Kentucky Energy and Environment Cabinet (EEC) has revised the Beneficiary Mitigation Plan (BMP) to reflect the spending authority provided by the Legislature.  This revised BMP was submitted to Wilmington Trust, the National Trustee on June 4, 2020, and is the first step in developing a process for the various categories outlined in the budget and having access to the funds.

The BMP, as outlined by the General Assembly provides that:

* $8,521,700 shall be used to reimburse local school districts for 50 percent of the purchase cost to replace up to five school buses per district currently in daily use meeting the necessary criteria with a chassis year of 2001 or earlier. If these funds are insufficient to cover 50 percent of the purchase costs of districts that have requested reimbursement by June 1, 2021, the reimbursement shall be pro rata reduced;
* $8,521,700 shall be transferred to the Office of Transportation Delivery to replace public transit buses meeting the necessary criteria. Priority shall be given to maximizing Federal Transit Grants;
* $3,056,700 shall be used for the purchase of light-duty, zero-emission vehicle supply equipment meeting the necessary criteria. Recipients shall provide at least 50 percent of matching funds per project; and
* $278,500 may be used for administrative costs.

If all funds are not expended during fiscal year 2021, those remaining funds will be available for expenditure in the 2021-2022 fiscal year.

EEC will begin working with stakeholders across the Commonwealth to develop processes for applying for funds as outlined by the General Assembly.