INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Budget Review Subcommittee on Transportation

Minutes of the 4th Meeting
of the 2020 Interim

September 16, 2020

Call to Order and Roll Call
The fourth meeting of the Budget Review Subcommittee on Transportation of the Interim Joint Committee on Appropriations and Revenue was held on Wednesday, September 16, 2020, at 10:30 AM, in Room 154 of the Capitol Annex. Senator Jimmy Higdon, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jimmy Higdon, Co-Chair; Representative Sal Santoro, Co-Chair; Senators Chris McDaniel and Dennis Parrett; Representatives Chris Fugate, Chris Harris, Samara Heavrin, Thomas Huff, Brandon Reed, John Sims, and Ken Upchurch.

Guests: Secretary Jim Gray, Transportation Cabinet (KYTC); James Ballinger, State Highway Engineer, KYTC; and Robin Brewer, Executive Director, Office of Budget and Fiscal Management, KYTC.

LRC Staff: Justin Perry, David Talley, and Spring Emerson.

Approval of Minutes
A motion was made by Representative Fugate to approve the minutes of the August 19, 2020 meeting. The motion was seconded by Co-Chair Santoro, and the minutes were approved without objection.

Road Project Prioritization Methodology
Secretary Gray provided an overview of the prioritization methodology of road projects.

Chair Higdon thanked Secretary Gray for the work he is doing for the KYTC and expressed his appreciation that James Ballinger is the newly appointed State Highway Engineer. He also commented that Kenny Bishop is doing a great job as the Legislative Liaison for the KYTC.

In response to a question from Co-Chair Santoro regarding the development of road projects, Secretary Gray said it is an ongoing process but is more robust during the month of September.

Chair Higdon commented that the KYTC wants more legislative involvement at the local level, but those meetings are historically held during the first quarter of the calendar year when legislators are in session and cannot attend. Secretary Gray said adjustments need to be made to the process as a part of ongoing improvements.

In response to a question from Chair Higdon regarding actual revenues received to fund projects, Secretary Gray said projects are over-programmed by several million dollars and the fiscal year began with a large backlog of projects, which they are working on now.

Road Fund to Non-KYTC Agencies
Road Fund Cash Management
Robin Brewer provided an overview of the amount of Road Fund monies that go to agencies besides KYTC, as well as Road Fund Cash Management.

In response to a question from Chair Higdon regarding drivers' education, Ms. Brewer said she is not familiar with the program, but will research and provide information to the subcommittee at a later date.

In response to a question from Chair Higdon regarding August typically being the lowest in cash than other months, Ms. Brewer said it is typical due to more cash outflow during that time, such as significant debt service payments and revenue sharing payments.

In response to a question from Chair Higdon regarding the requirement that cash not drop below $100 million, Ms. Brewer said they can drop below that amount, but must have enough coming in to get the tax balance back up to acceptable levels. Some of the revenues normally come in during the last part of the month.

In response to a question from Representative Upchurch regarding schools paying motor fuels taxes, Ms. Brewer said that information will be provided to the committee at a later date.

In response to a question from Co-Chair Santoro regarding how monies are spent, Secretary Gray said obligations are paid first, then projects that are underway, then more projects that are short-term, with emergency safety and maintenance projects a priority as well.

In response to a request from Chair Higdon, Ms. Brewer will provide a chart showing revenues for the past 10 to 15 years at a later date.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 11:23AM.