

BUDGET REVIEW SUBCOMMITTEE ON TRANSPORTATION

Minutes of the 3rd Meeting of the 2023 Interim

August 2, 2023

Call to Order and Roll Call

The third meeting of the Budget Review Subcommittee on Transportation of the Interim Joint Committee on Appropriations and Revenue was held on August 2, 2023, at 10:30 AM in Room 131 of the Capitol Annex. Representative Ken Upchurch, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Ken Upchurch, Co-Chair; Senator Jimmy Higdon, Co-Chair; Representative John Blanton, Senator Johnnie Turner, Representative Josh Branscum, Representative Thomas Huff, Representative Shawn McPherson, Representative Tom Smith, and Representative Ashley Tackett Laferty.

Guests: Robin Brewer, Executive Director, Office of Budget and Fiscal Management, Kentucky Transportation Cabinet (KYTC); Jason Siwula, Assistant State Highway Engineer, KYTC; Mikael Pelfry, Transportation Engineer, Director, Department of Highways, KYTC; Jeremy Edgeworth, Freight Rail and Waterways Coordinator, Department of Highways, KYTC; and, Mark Carter, Commissioner, Department of Aviation, KYTC.

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

Approval of Minutes

Representative McPherson moved to approve the minutes of the July 19, 2023 meeting. The motion was seconded by Senator Turner, and the minutes were approved without objection.

Road Fund Update

Ms. Brewer provided an update of the Road Fund.

In response to a question from Co-Chair Higdon regarding miles driven, Ms. Brewer said an updated graph can be provided to the committee. Co-Chair Higdon expressed his concern about the increase in miles driven and the cost of construction materials. Ms. Brewer said that a one penny increase in fuels tax equates to about \$30 million in the Road Fund.

In response to a question from Representative Blanton regarding fees for electric vehicles (EVs), Ms. Brewer said the new fee goes into effect on January 1, 2024, and it is estimated to generate approximately \$2 million in the first year.

In response to a question from Chair Upchurch regarding the motor fuels tax, Ms. Brewer said people are driving less due to high prices.

In response to a question from Co-Chair Higdon regarding if EVs would be subject to a fee, Ms. Brewer said she assumes so, but is not certain.

In response to a question from Representative Smith, Ms. Brewer said information on the number of miles paved, including a breakdown of disbursement, will be provided at a later date.

Representative McPherson expressed his concern regarding the cost of electric for charging an EV at home.

Strategic Highway Investment Formula for Tomorrow (SHIFT)

Mr. Siwula and Mr. Pelfrey provided information on the SHIFT program.

In response to a question from Chair Upchurch regarding the SHIFT formula, Mr. Pelfrey said it consists of safety, economic growth, congestion, benefit/cost, asset management, resiliency, and non-motorized mobility.

Co-Chair Higdon commented that the SHIFT scores should be included in the Road Plan. He also said the SHIFT meetings are held while the General Assembly is in session and this impedes attendance by legislators.

In response to a question from Representative Tackett Laferty, Mr. Siwula said that if a project is not listed, it may have received the SHIFT score earlier on in the project. The Mountain Parkway was not scored for SHIFT.

Multi-Modal Funding

Mr. Edgeworth and Commissioner Carter provided information on their respective departments.

In response to a question from Representative Blanton, Commissioner Carter said tax revenues apply to jet fuels.

In response to a question from Representative Blanton, Mr. Edgeworth said Tennessee does not have a grant program for public river ports.

In response to a question from Co-Chair Higdon regarding railroad crossings, Mr. Edgeworth said the KYTC works on them, but the railroads are responsible for the crossings themselves.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 11:47 AM.