

BUDGET REVIEW SUBCOMMITTEE ON TRANSPORTATION

Minutes of the 4th Meeting of the 2026 Interim

September 2, 2026

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 September 2, 2026, at 10:30 AM ET/9:30 AM CT in Room 171 of the Capitol Annex. Senator Donald Douglas, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Donald Douglas, Co-Chair; Representative Ken Upchurch, Co-Chair; Senator Jimmy Higdon; Representatives John Blanton, Josh Branscum, Randy Bridges, Thomas Huff, Mary Beth Imes, Tom Smith, and Ashley Tackett Laferty.

Guests: Jason Siwula, Deputy State Highway Engineer, Dept. of Highways, KYTC; David Gormley, Director of Professional Services, Dept. of Highways, KYTC; Shaun McKiernan, Executive Director, Budget and Fiscal Management, KYTC; and Ron Rigney, Director of Program Management, Dept. of Highways, KYTC.

LRC Staff: Jeremy Simpson and Spring Emerson.

Approval of Minutes

Co-Chair Upchurch moved to approve the minutes of the August 5, 2026 meeting. The motion was seconded by Representative Branscum, and the minutes were approved without objection by voice vote.

Personal Service Design Contracts

James Ballinger, State Highway Engineer, Dept. of Highways, KYTC; and David Gormley, Director of Professional Services, Dept. of Highways, KYTC, presented information on Personal Service Design Contracts.

In response to Chair Douglas, Director Gormley said the consultant portal is successful and is very user-friendly. Debriefings and marketing meetings are held with consultants wanting to be considered. These meetings are opportunities for consultants to become familiar with the process.

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In response to Representative Branscum, Mr. Ballinger said the design/build approach is used as an alternative delivery program. The contractors can become eligible to participate as a team. Director Gormley added that the hourly rate is agreed upon from the start.

Co-Chair Upchurch assumed the Chair, due to Chair Douglas having a previously scheduled engagement.

In response to Senator Higdon, Director Gormley said the Request for Proposal (RFP) is used for requesting services, and the contract is issued after the selection. Mr. Ballinger added that project development is more than design. The dynamic process can take 2 to 5 years, depending on the level of difficulty, etc. The General Assembly could help to shorten the lengthy process by tweaking right-of-way language, which could take about half the time.

In response to Representative Smith, Director Gormley said the cost of consulting services is less than contracting. Mr. Ballinger added that they must maintain a level playing field.

Cash Management System

Shaun McKiernan, Executive Director, Budget and Fiscal Management, KYTC; and Ron Rigney, Director of Program Management, Dept. of Highways, KYTC, presented information on the Cash Management System.

In response to Representative Branscum, Director Rigney said they are seeing higher prices in all areas.

In response to Senator Higdon, Director McKiernan said last month the bond payment was \$68.8 million and was paid from the Road Fund with GARVEE bonds. Director Rigney added that the GARVEE bonds are federal funds with specific requirements for usage. The last payment will be made in August 2027. Kentucky is not earning toll credits at this time. The tolls from the Louisville Bridges project were used to pay for the project.

Adjournment

The next meeting is scheduled for October 7, 2026. There being no further business, the meeting was adjourned at 11:53 AM ET/10:53 CT.