

INTERIM JOINT COMMITTEE ON TRANSPORTATION

Minutes of the Third Meeting of the 2026 Interim

September 1, 2026

Call to Order and Roll Call

The third meeting of the Interim Joint Committee on Transportation was held on September 1, 2026, at 1:00 PM ET/12:00 PM CT in Room 149 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 John Blanton, Co-Chair; Senators Karen Berg, Gary Clemons, Donald Douglas, Greg Elkins, Brandon J. Storm, Phillip Wheeler, Gex Williams, and Mike Wilson; and Representatives Ryan Bivens, Randy Bridges, Anne Gay Donworth, Myron Dossett, Daniel Elliott, David Hale, Samara Heavrin, John Hodgson, Thomas Huff, Mary Beth Imes, Matthew Lehman, Derek Lewis, Bobby McCool, Rachel Roarx, Tom Smith, Ashley Tackett Laferty, Walker Thomas, and Ken Upchurch.

Guests: Leslie Slaughter, Director of Transition, Workforce, and Innovation, Spencer County Schools, and Advocacy Chair, Kentucky Association of Career and Technical Education (KACTE); Dexter Knight, Executive Director, KACTE; JD Chaney, Executive Director, CEO, Kentucky League of Cities (KLC); Kayla Smith, Public Policy Manager, Kentucky Association of Counties (KACo); Greg Meredith, Commissioner of Rural and Municipal Aid, Kentucky Transportation Cabinet (KYTC); Craig Caudill, Transportation Engineering Branch Manager, Rural and Secondary Roads, KYTC; and James Ballinger, State Highway Engineer, KYTC.

LRC Staff: John Snyder, Dana Fugazzi, Ashley Nash, and Angela Rhodes.

Approval of August 04, 2026 Meeting Minutes

A motion was made by Representative Upchurch and seconded by Senator Douglas, to approve the minutes from the August 04, 2026 meeting. Minutes were approved by voice vote without objection.

Award Presentation by KACTE

Ms. Slaughter and Mr. Knight presented the 2026 KACTE Meritorious Service award to Chair Higdon for his unwavering support of KACTE throughout his career in the General Assembly.

Revenue Sharing Formula and Outstanding Paving Needs

Mr. Chaney briefed the committee on the current transportation funding landscape for Kentucky cities. He discussed the importance and impact of transportation funding, how motor fuels tax dollars are allocated, and the total city street and road expenditures in comparison with what municipal road aid (MRA) payments cover. He also addressed local road spending, state aid, and the spending gap as well as aid mismatch, citing that in FY 2024, road aid through the motor fuels tax covered just 13.6% of city road spending, compared with 38.3% for counties. Federal transportation funding opportunities were discussed including the Metropolitan Planning Program (MPP) as well as the Transportation Alternatives Program (TAP).

Representative Donworth requested a further breakdown be provided of what the state is spending in transportation in both counties and cities and how that money is allocated in each category.

Co-Chair Blanton stated that all areas of funding are currently in a predicament including the state road fund, rural and municipal aid, the Local Assistance Road Program (LARP), as revenues are not keeping up with costs, and a solution must be found to fix revenue streams. He added that the state needs to address not only road fund revenues but also how local counties and cities are going to be able to generate revenues for community needs.

In response to Co-Chair Blanton, Mr. Chaney stated that 7.7% of the motor fuels tax money that is allocated to MRA does not include money that is spent to maintain state roads that run through those cities; it is strictly a municipal road allocation. Also, in response to Co-Chair Blanton, Mr. Chaney stated that the statistics presented on the portion of city street spending covered by MRA payments in 2024 did not include LARP money that was utilized.

In response to Co-Chair Blanton, Mr. Chaney stated he is unsure how many miles of streets have been added to Kentucky cities over the last 10 years, but he would investigate that. Co-Chair Blanton stated that adding more streets is not under the control of the General Assembly, and that adds to the overall costs.

In response to Representative Lehman, Mr. Chaney stated KLC has not quantified the additional cost that cities are undertaking for maintaining state and county roads for potholes or salting, or the cost that is brought on due to the rerouting of traffic onto local streets for periods of construction. He acknowledged he is unsure if there is a way to quantify that, but that would be investigated as well.

In response to Senator Williams, Mr. Chaney stated he does not have the figures of what percent of the 51.8% of motor fuel revenues retained by the state is actually spent on state roads within cities, but that they will collaborate with KYTC to try to find those figures. He added that KLC is not advocating for a reduction in state funding.

In response to Representative Smith, Mr. Chaney stated there has been previous language in bills that have included gas tax formula revision, including a bill that was introduced in the 2026 Regular Session, which was supported by KLC. He added there is language that continues the goal toward equity without removing funds from county governments or the portion that goes to state roads.

Chair Higdon recapped that coming out of the 51.8% is a 20% federal match including snow removal, mowing, administration, etc. and that when all of that is paid, there is approximately \$250 million to \$300 million left out of that 51.8% that can be used in the road plan to build roads. He added that the state does receive funds from the federal government to supplement that, as well as motor vehicle use tax.

Ms. Smith briefed the committee on KACo's transportation infrastructure and funding needs. Counties own and maintain approximately 50.5% of the roads in Kentucky, and 34.8% of the bridges in the Commonwealth. The County Road Aid (CRA) fund receives 18.3% motor fuel tax revenue. The CRA has significantly decreased over the last decade from \$151.7 million in FY 2014 to \$132.6 million in FY 2026. Ms. Smith stated that Kentucky needs a more sustainable way to fund its roads and bridges, and KACo is committed to working towards finding that solution.

Mr. Meredith and Mr. Caudill provided a revenue share breakdown including a breakdown of the 22.2 % Rural Secondary allotment from the motor fuels tax, the CRA 18.3% allotment, the 7.7% MRA allotment, and a detailed explanation of the formula of the Fifths.

Co-Chair Blanton discussed the problematic system within transportation funding and spending only approximately 13% of the Rural Secondary allotment on roughly 50% of Kentucky's roads that are rural secondary. In response to Co-Chair Blanton, Mr. Caudill

stated those funds can be used for resurfacing, slips, or other projects needed on rural secondary roads.

Representative McCool suggested having the schedule of future resurfaced roads posted on a website.

In response to Representative Roarx, Mr. Caudill stated the districts provide the cabinet with which projects they wish to have completed and when, as they are the ones who administer a cost/benefit analysis to the needed projects. Mr. Caudill further discussed the submission process.

Senator Berg stated that a gas tax increase may not be the only thing needed to solve the transportation funding needs; however, she encouraged members to remember the unfulfilled and unmet needs if a vote is requested at a later date to take measures to make the disparity whole.

Senator Elkins encouraged KLC, KACo, and KYTC to brainstorm a solution to the transportation funding shortfall and present it to the General Assembly.

In response to Representative Bivens, an explanation of the Maintenance Rating Program (MRP) was given.

Representative Bivens stated constituents and local officials have raised concern about maintenance scoring being dropped due to a repair being completed. This results in maintenance not being performed so that the route's MRP Score is not affected. He emphasized this results in preventative maintenance not being performed.

Update on Mega Projects

Mr. Ballinger updated the committee on the status of several mega projects including the expansion of the Mountain Parkway, a project overview of the Brent Spence Bridge Corridor, and the I-69 Ohio River Crossing. He briefed the committee on timelines, project financing, and bi-state partnerships.

Co-Chair Blanton reminded the committee that on the I-69 crossing, Kentucky owns land on the other side of the Ohio River that needs to be maintained.

Representative Tackett Laferty praised the work being done on the Mountain Parkway and Mr. Ballinger reiterated that the work on the Floyd County section of the Mountain Parkway will begin in 2027. He stated he would confirm the completion date as well as the impact of travel during construction.

In response to Chair Higdon, Mr. Ballinger stated additional projects have been cleared for letting to address some needs that have recently been discussed.

Adjournment

Chair Higdon adjourned the meeting at 2:57 PM.