

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Budget Review Subcommittee on Transportation

Minutes of the 2nd Meeting of the 2021 Interim

July 7, 2021

Call to Order and Roll Call

The second meeting of the Budget Review Subcommittee on Transportation of the Interim Joint Committee on Appropriations and Revenue was held on Wednesday, July 7, 2021, at 11:00 AM, in Room 131 of the Capitol Annex. Representative Sal Santoro, 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 Brandon J. Storm, and Johnnie Turner; Representatives Chris Fugate, Samara Heavrin, Shawn McPherson, Jason Petrie, Phillip Pratt, Brandon Reed, Rachel Roberts, Cherlynn Stevenson, and Ken Upchurch.

Guests: Jim Gray, Secretary, Kentucky Transportation Cabinet (KYTC); Robin Brewer, Executive Director, Office of Budget and Fiscal Management, KYTC; Tracy Nowaczyk, Assistant State Highway Engineer, Department of Highways, KYTC; Shellie Hampton, Director of Government Affairs, Kentucky Association of Counties (KACO); and, Bryanna Carroll, Director of Public Affairs, Kentucky League of Cities (KLC).

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

Chair Santoro began the meeting by opening to remarks by Co-Chair Higdon, who expressed condolences on the recent passing of Senator Tom Buford. Senator Buford had been a member of the Kentucky Senate since 1991, representing Fayette, Garrard, Jessamine, Mercer, and Washington counties. Co-Chair Higdon said Senator Buford always had a smile on his face and something witty to say. He told his wife just before he passed away that he wanted his tombstone to read, "I knew this was going to happen, but just not this soon." A moment of silence was observed in his honor.

Approval of Minutes

A motion was made by Representative Heavrin to approve the minutes of the June 2, 2021 meeting. The motion was seconded by Representative Stevenson, and the minutes were approved without objection.

Road Funds Received by Other Agencies

Robin Brewer provided a presentation on Road Funds that are received by other state government agencies.

In response to a question from Representative Petrie regarding the amount in the Road Fund being used for payment of certain expenses, Ms. Brewer said it is important to look at where the Road Fund dollars are going.

In response to questions from Co-Chair Higdon regarding the payment for the Kentucky Pride Fund, Ms. Brewer said the amount paid into that fund from the KYTC is \$5 million, and there is no matching fund.

Chair Santoro commented that the cost of materials has been continually increasing since 2001.

State, City, and County Roads

Secretary Gray and Ms. Nowaczyk provided an update on unfunded maintenance needs for state, city, and county roads.

Co-Chair Higdon commented that the motor fuels tax rate has remained almost the same since 2011, when the rate was 25.9 cents. In 2020, the rate was 26 cents. Miles driven has increased, fuel efficiency is greater now, and costs continue to go up. The last increase in gas tax was in 2015. Secretary Gray agreed that the numbers are disturbing.

In response to questions from Representative Petrie regarding current unfunded road improvement needs, Ms. Nowaczyk said the \$750 million listed includes the \$400 million spent on state-owned bridges and pavements last fiscal year. Secretary Gray explained that the \$750 million represents \$350 million needed in additional funds over the amount spent last fiscal year.

In response to a question from Chair Santoro regarding federal funding, Ms. Nowaczyk said no federal reimbursement is made for any snow and/or ice removal costs.

Representative Heavrin expressed her appreciation for road work currently being done in her district.

In response to questions from Co-Chair Higdon regarding the receipt of federal funds, Secretary Gray said lettings have increased from the amount of projects let last year, and even if some federal funds are received, more resources will be needed.

In response to a question from Representative Petrie regarding the remaining \$60 million in Road Funds, Secretary Gray said those funds would be used for maintenance rather than new projects. A list of expenditures for those funds will be provided at a later date.

Ms. Hampton and Ms. Carroll provided overviews of the unfunded maintenance needs within their respective agencies.

Chair Santoro commented that county judges and mayors hear directly from their constituents about issues in their areas.

Adjournment

There being no further business before the subcommittee, a motion was made by Representative Upchurch to adjourn. The motion was seconded by Representative Heavrin, and the meeting was adjourned without objection.