

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Budget Review Subcommittee on Transportation

Minutes of the 4th Meeting of the 2022 Interim

November 2, 2022

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, November 2, 2022, at 10:30 AM, in Room 131 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 Brandon J. Storm and Johnnie Turner; Representatives Randy Bridges, Chris Fugate, Samara Heavrin, Thomas Huff, Phillip Pratt, Cherlynn Stevenson, and Ken Upchurch.

Guests: Jim Gray, Secretary, Transportation Cabinet (KYTC); Tracy Hyatt, Executive Director, Office of Human Resource Management, KYTC; Jeremy Edgeworth, Coordinator, Freight, Rail, and Waterways, Division of Planning, KYTC; John Moore, Deputy State Highway Engineer, KYTC; Justin Harrod, Project Manager, National Electrical Vehicle Infrastructure (NEVI) Program, KYTC; and, Bobbi Jo Lewis, Commissioner, Rural and Municipal Aid, KYTC.

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

Approval of Minutes

A motion was made by Senator Turner to approve the minutes of the September 21, 2022 meeting. The motion was seconded by Representative Pratt, and the minutes were approved without objection.

KYTC Hiring and Retention

Secretary Gray and Ms. Hyatt presented information relating to the hiring and retention of employees within the Kentucky Transportation Cabinet.

In response to a question from Chair Higdon, Secretary Gray said there are currently 300 vacancies. Chair Higdon asked about utilizing the savings to provide pay raises to others within the Cabinet, Ms. Hyatt said it had not been discussed because existing

employees would be required to take on additional duties to make up for the loss of 300 vacancies.

In response to a question from Chair Higdon regarding the work week, Secretary Gray said the 37.5-hour work week has been an incentive to recruit and retain employees. Chair Higdon commented that engineers in the private sector are required to work forty hours per week or more.

In response to a question from Representative Fugate regarding hiring former coal miners as equipment operators in the Jackson office, Secretary Gray said experienced coal miners would be an asset. He suggested that Representative Fugate reach out to Corbett Caudill, Executive Director of the Department of Highways in the Jackson area.

In response to a question from Senator Turner regarding the job class with the most retention issues, Ms. Hyatt said the entry-level position of Highway Technician Assistant I within the Department of Highways has the highest number of vacancies.

In response to a question from Representative Bridges regarding scholarships, Secretary Gray said recruitment is intense, especially in the engineering and construction sectors.

In response to a question from Representative Pratt regarding the reason some employees are on a 40-hour week while others are on a 37.5-hour week, Ms. Hyatt said she does not know a specific reason. Secretary Gray said he thinks the 37.5-hour work week was used as an incentive to recruit and retain personnel at one time.

In response to a question from Co-Chair Santoro regarding individuals from the private sector coming to work for the KYTC, Ms. Hyatt said it happens, but not often. Co-Chair Santoro said we cannot compete with the private sector. Secretary Gray commented that there is a need to balance the competitive conditions and job requirements.

In response to a question from Chair Higdon regarding the delay in recruitment activities, Secretary Gray said they are trying to improve the cycle time.

In response to a question from Chair Higdon regarding an update on grants, Secretary Gray said they had received many more applications and requests for the \$12 billion in the Bridges of National Significance and Mega Projects grants than expected. The Brent Spence Bridge is the poster child for this federal legislation, and those grants are expected to be awarded by the end of this year.

Resolution for Co-Chair Santoro

Chair Higdon presented a resolution to Co-Chair Santoro to thank him for his work on this subcommittee, and expressed his congratulations on Representative Santoro's upcoming retirement.

Representative Heavrin commented that Representative Santoro has been her best friend in the General Assembly and expressed her appreciation for his assistance.

Representative Stevenson said Representative Roberts could not be present today, but sent words of thanks to Co-Chair Santoro.

Representative Fugate also expressed his thanks to Co-Chair Santoro for his leadership and assistance.

Chair Higdon thanked Co-Chair Santoro for his dedication.

Railroad Funding Overview

Mr. Edgeworth provided an overview of railroad funding within the Transportation Cabinet. There were no questions.

NEVI Program Update

Deputy Moore and Mr. Harrod provided an update on the National Electrical Vehicle Infrastructure (NEVI) Program.

In response to a question from Chair Higdon regarding selection of and funding for locations of charging stations, Mr. Moore said selection criteria have not been finalized. He said they are asking for a twenty percent applicant funding match.

In response to a question from Senator Turner regarding corridors in Eastern Kentucky, Mr. Moore replied that the requirement was to identify and nominate all alternative fuels corridors first for localized access. Eastern Kentucky should be completed by mid-2024.

In response to a question from Representative Pratt regarding the placement of charging stations, Mr. Moore said no commercial activity is permitted in rest areas. They will be situated just off the exit ramps along the interstates and parkways.

In response to a question from Representative Pratt regarding the electric grid requiring an upgrade, Mr. Moore said they may need a higher distribution of power in the future, but according to the utility operators, there should be enough capacity on the network to deploy the initial startup. Mr. Harrod added that with approximately eighty to ninety percent of charging taking place in consumer's homes, it should allow time for any necessary upgrades to the system.

In response to a question from Representative Upchurch regarding Tesla charging stations, Mr. Harrod said there were approximately twenty to thirty Tesla stations at the first of this year.

In response to a question from Representative Upchurch regarding the cost of each unit and number of chargers per unit, Mr. Moore replied that each station deployment would cost \$800,000 and would include four 150-kilowatt chargers per station.

In response to a question from Co-Chair Santoro regarding the hours of operation of charging stations, Mr. Moore said it is anticipated that they will be available twenty-four hours per day, seven days per week; however, the federal rule on that has not yet been finalized. Co-Chair Santoro commented that since electric vehicles use the roads, they should contribute to the Road Fund.

In response to questions from Senator Storm regarding length of charging times and cost to consumers, Mr. Moore said it is anticipated to take approximately twenty to thirty minutes to charge an electric vehicle from empty to full. The utility companies will most likely regulate the cost to consumers. Mr. Harrod added that the Public Service Commission will provide guidance for utility rates for electric vehicles.

In response to a question from Chair Higdon regarding commercial activity at highway rest areas, Mr. Moore said vending machines are run by not-for-profit entities, but he will find out if there are exceptions.

TAP Program Update

Commissioner Lewis provided an update of the Transportation Alternatives Program (TAP) within the Department of Rural and Municipal Aid.

Senator Turner requested additional information on the thirty-one projects that were awarded in 2022. Ms. Lewis agreed to provide the information later.

Co-Chair Santoro expressed his appreciation for the work Commissioner Lewis does, and Chair Higdon concurred.

In response to a question from Chair Higdon regarding the number of applications received in a typical cycle, Ms. Lewis replied there were 62, totaling over \$42 million in Federal funds. Chair Higdon asked if the Federal funds are intermingled with state funds, and Ms. Lewis replied they are not. She mentioned that an increase in the discretionary account would be very beneficial.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 12:15 PM.