

BUDGET REVIEW SUBCOMMITTEE ON TRANSPORTATION

Minutes of the 1st Meeting of the 2023 Interim

June 7, 2023

Call to Order and Roll Call

The first meeting of the Budget Review Subcommittee on Transportation of the Interim Joint Committee on Appropriations and Revenue was held on June 7, 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 Brandon J. Storm, Senator Johnnie Turner, Representative Josh Branscum, Representative Thomas Huff, Representative Shawn McPherson, Representative Ruth Ann Palumbo, Representative Tom Smith, and Representative Ashley Tackett Laferty.

Guests: Jim Gray, Secretary, Kentucky Transportation Cabinet; Bobbi Jo Lewis, Commissioner, Rural and Municipal Aid; John Moore, Assistant State Highway Engineer; Justin Harrod, National Electric Vehicle Infrastructure (NEVI) Project Manager; Robin Brewer, Executive Director, Office of Budget and Fiscal Management; and, Ron Rigney, Transportation Engineer, and Director of the Department of Highways.

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

Highway Construction Contingency Account

Secretary Gray and Commissioner Lewis provided information on the Highway Construction Contingency Account.

In response to questions from Co-Chair Higdon, Commissioner Lewis explained the Transportation Alternatives Program is contained within the Office of Local Programs in the Department of Rural and Municipal Aid, and these projects are federally funded, requiring a twenty percent match. Revenue Sharing is broken down with the formula of fifths. One-fifth equal share to each county, one-fifth of rural road mileage as compared to the state overall rural road mileage, and one-fifth rural population as compared to the rural population of the state, and then two-fifths of rural land area as compared to the rural land area of the state. If a county is not a co-op program member, they would receive monthly payments through the Department of Local Government. Being a co-op member assures that the county would receive their Revenue Sharing funds in a different form, which is generally paid out in three payments. Co-op members are also entitled to emergency funding, which consists of three percent of funds set aside for emergency use.

In response to a question from Chair Upchurch regarding a breakdown of the formula by county or city, Commissioner Lewis said it is based on the most current census information, and will be provided to the subcommittee at a later date.

In response to questions from Representative Tackett Laferty, Commissioner Lewis said gravel or dirt roads must be part of the county road system or a city street to be considered. Gravel roads are not even considered, due to the fact that there is not enough funding for blacktop resurfacing.

In response to questions from Senator Turner, Commissioner Lewis said there is a high level of need in Letcher county and the surrounding areas due to the recent flooding issues. For assistance in applying for emergency funding, the field representative in the area is Barry Davis.

National Electric Vehicle Infrastructure (NEVI) Plan

Mr. Moore provided an overview of the NEVI Plan.

Chair Upchurch commented that Tennessee Tech visited Monticello, KY a few months ago and are placing a charging station in the downtown area at no charge to the city. Mr. Moore replied that he was unaware of that situation. Mr. Harrod said the Tennessee Valley Authority has been working with some counties in Western Kentucky and helping to install charging stations in those areas. They are not necessarily compliant with the NEVI Plan, but there are also other entities working on the installation of charging stations.

In response to a question from Representative Blanton, Mr. Moore said the charging units could be implemented by a convenience store, a petroleum marketer, or an independent unrelated location.

In response to questions from Representative Blanton regarding the cost, Mr. Moore said a lot of the rollouts that you see at hotels are Level Two chargers, and are less expensive than fast chargers, due to the higher kilowatt requirement. The overall return on investment is capped based on federal requirements. A federal taxing structure does not exist at this time. Electric vehicles weigh slightly more than standard vehicles, but that does not cause the majority of the road damage.

In response to a question from Chair Upchurch regarding tracking the usage of electric vehicle chargers, Mr. Moore said that question would be better answered at the Department of Revenue.

In response to a question from Senator Turner, Mr. Moore said the primary cause of road damage is from commercial vehicle usage.

KYTC Cash Management Program

Ms. Brewer and Mr. Rigney provided information on the KYTC Cash Management Program.

In response to questions from Co-Chair Higdon, Mr. Rigney explained that a pre-construction phase must be completed before a project can be let. When it reaches the letting state, it enters the Road Plan. Not all projects have a planning phase. Federally funded projects have certain requirements, including an environmental impact statement. This process can take from a few weeks to a year or longer, and can include final design, fine tuning plans, acquisition of required right-of-way, reevaluation of the environmental statement, utility relocation, right of entry to properties, and utility certifications.

In response to a question from Co-Chair Higdon regarding projects that were designed or started but were unfinished due to a change in priorities, Mr. Rigney said there is no such list, but there

may be some delayed projects. If an active project is on the exceptions list for federal funding and there have been no expenditures within a year, an explanation must be submitted to the federal government through the quarterly reporting process.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 11:58 AM.