

INTERIM JOINT COMMITTEE ON TRANSPORTATION

Minutes of the 3rd Meeting of the 2022 Interim

August 16, 2022

Call to Order and Roll Call

The 3rd meeting of the Interim Joint Committee on Transportation was held on Tuesday, August 16, 2022, at 1:00 PM, in Room 149 of the Capitol Annex. Senator Jimmy Higdon, Chair, called the meeting to order, and the secretary called the roll. The minutes from the July 5, 2022 were approved.

Present were:

Members: Senator Jimmy Higdon, Co-Chair; Representative Ken Upchurch, Co-Chair; Senators Brandon J. Storm, Johnnie Turner, Max Wise, and David Yates; Representatives Josh Branscum, Kevin D. Bratcher, Randy Bridges, Jonathan Dixon, Ken Fleming, David Hale, Samara Heavrin, Thomas Huff, Derek Lewis, Bobby McCool, Shawn McPherson, Charles Miller, Ruth Ann Palumbo, Sal Santoro, Tom Smith, Cherlynn Stevenson, Ashley Tackett Laferty, Walker Thomas, and Buddy Wheatley.

Guests: Jim Gray, Secretary, Kentucky Transportation Cabinet (KYTC); Kenny Bishop, Legislative Director, KYTC; Corbett Caudill, Chief District Engineer, District 10, KYTC; Robin Brewer, Executive Director, Office of Budget and Fiscal Management, KYTC; Mike Sewell, President, Bike Walk Kentucky; Jennifer Kirchner, Executive Director, Kentuckians for Better Transportation (KBT); and Captain Marshall Johnson, Driver Testing Branch, Kentucky State Police (KSP).

LRC Staff: John Snyder, Dana Fugazzi, Ashley Nash, and Christina Williams.

KYTC Flood Response

Jim Gray, Secretary, KYTC, gave a brief overview of the cabinet's response to the recent tragic flooding in Eastern Kentucky. Secretary Gray recognized key staff and departments that assisted in the disaster relief. Aiding in the relief were KYTC Departments of Highways, Vehicle Regulation, Rural and Municipal Aid, and Department of Aviation; the State Highway Engineer's Office; and the Secretary's Office of Highway Safety. At least 180 employees from the Department of Highways, as well as dozens of pieces of equipment, have deployed from the other nine highway districts to aid districts 10 through 12. The personnel included engineers, equipment operators, maintenance crews, and bridge specialists and mechanics.

KYTC was instrumental in transporting critical goods into the area such as water, meals ready to eat (MREs), cots, travel trailers for shelter, and work trailers. Pop-up licensing services were provided in six locations within five counties. Routine licensing services were offered as well as free replacement of driver's licenses and ID cards. As of August 15, there were 1,599 licenses or IDs issued to people in the flooded counties. KYTC crews worked not just on clearing state routes, but also helped overwhelmed counties clear local roads. The crews executed debris removal and had oversight and inspection capabilities of contracts. Cities and counties were offered the opportunity to "piggyback" on state contracts through a mutual aid agreement. By doing this, debris removal was able to occur more quickly.

Several pictures were shown to the committee that showcased the indescribable damage done to the Eastern Kentucky area. Secretary Gray stated in 16 days, KYTC had inventoried 1,098 bridges in the disaster zone. As of August 14, 56 bridges had been identified for replacement and 52 others identified as needing repair. The process has already begun to replace an initial group of 11 bridges in need of replacement in Knott, Letcher, Perry, and Pike counties using existing and emergency contracts. In 9 of the 11 cases, residents lost motor vehicle access to their homes when those bridges were deemed unusable. In those cases, temporary crossings are being built. Crews have cleared at least 153 land and mudslides and unclogged dozens of culverts and drain structures.

Nine companies bid on the debris removal contract. The low bidder was AshBritt, an experienced national company based in Florida. Through Sunday, August 14, AshBritt trucks had moved almost 1,000 truckloads of debris in Breathitt, Floyd, Knott, Letcher, Perry, and Pike counties. ER Assist Disaster Funding Solutions is monitoring the work of AshBritt to ensure everything is done and documented properly so reimbursement funds will be granted from the Federal Emergency Management Agency (FEMA.)

Corbett Caudill, Chief District Engineer, District 10, gave an overview of events that occurred on the night of the flooding, as well as the events that followed. He described the events as nothing short of catastrophic. He stated in his 27 years of working for KYTC in that area, he had never seen water over certain roads and landmarks before.

Representative Tackett Laferty thanked all who have been involved in cleanup and disaster relief. She thanked Governor Beshear, representatives who have been involved, all first responders, and other groups that have come together to uplift the community. She also thanked the state parks (specifically Jenny Willey State Park in her district.) Lastly, she thanked the school boards that have been instrumental during this time.

Senator Turner thanked Senator McConnell and Congressman Paul for their help with disaster relief, as well as other supporting groups that contributed to the cause.

Representative Stevenson thanked all parties who have contributed to the restoration of the devastated area. She encouraged people to visit the area and help as they are able.

In response to a question asked by Representative Santoro, Mr. Corbett stated most electricity has been restored to the area. He stated internet and telephone services in Jackson have been restored. He added that the restoration of water services will be a longer process. Some water lines have been washed out and areas that are farther away from the water plant are still without water.

In response to a question asked by Representative Smith, Secretary Gray stated that the damage in the area from the intense rain was probably worse than it would have been in a different region, and the goal of everyone is to identify damage and get it repaired as quickly as possible.

Fiscal Year (FY) 2022 Road Fund Report

Robin Brewer, Executive Director, Office of Budget and Fiscal Management, KYTC gave a brief update on the FY 2022 closeout of the Road Fund. Ms. Brewer stated on December 17, 2021, the Consensus Forecasting Group (CFG) revised the current year revenue estimate for FY 2022, as well as approved the official revenue estimates for FY 2023 and FY 2024. During that meeting the CFG revised the revenue estimate up to \$1,680.1 million from \$1,609.2 million. Actual Road Fund revenues for FY 2022 totaled \$1,675.4 million, an increase of two percent from FY 2021, but a shortfall of \$4.7 million below the revised official estimate. However, this did not result in any spending reductions. The Motor Fuel Tax revenue collected was approximately \$13.7 million less than the enacted revenue estimate, as high pump prices discouraged consumption. The Motor Vehicle Usage Tax revenue collected reached an all-time high of \$629.1 million, \$9.4 million more than the estimate. All the other revenue accounts collected close to \$500,000 less than the estimate.

In comparing the actual Road Fund Revenues for FY 2022 to 2021, total 2022 receipts were approximately \$33 million more than 2021 levels, an increase of about 2 percent. The gains in the Road Fund from FY 2021 to FY 2022 were concentrated in the Motor Fuel and Motor Vehicle Usage Taxes, which grew 3.5 percent and 1.3 percent, respectively. Motor Fuel Tax receipts grew despite higher gas prices and were robust in each of the first three quarters before declining in the final quarter in response to the faster rise in gas prices.

In response to a question asked by Chairman Higdon, Ms. Brewer stated the “other” category includes everything outside of the Motor Fuels Tax and the Motor Vehicle Usage Tax, such as motor vehicle operator and licensing fees, investment income, permit fees, as well as weight distance tax.

The Official Road Fund estimate from CFG for FY 2023 is \$1,719.9 million. According to the Quarterly Economic and Revenue Report for the fourth quarter of FY 2022, which is published by the Office of the State Budget Director, Road Fund revenues are forecasted to grow at a slightly more robust pace over the first three quarters of FY 2023, with collections increasing 3.7 percent. Growth rates ranging from 0.9 percent to 13.7 percent are expected in most of the accounts, with the exception of Motor Fuels Tax which is forecasted to decline. Motor Fuel receipts are expected to decrease approximately 0.4 percent over the next three quarters as gasoline consumption declines over the forecast period due to continued high prices at the pump, and the subsequent freeze in the average wholesale price of fuel that occurred via an emergency regulation.

Motor Vehicle Usage Tax is expected to increase 7 percent over the first three quarters of FY 2023. In addition, Motor Vehicle Licensing fees are expected to increase 2.8 percent in the first three quarters of FY 2023. Weight distance taxes are expected to grow 2.3 percent, motor vehicle operator license tax is forecasted to rise 13.7 percent, and investment income collections are expected to be approximately negative \$1 million.

The official enacted Road Fund revenue estimates for FY 2023 include \$833.8 million in Motor Fuels Tax, \$603.7 million in Motor Vehicle Usage Tax, \$119.1 million in Motor Vehicle Licensing fees, \$94.6 in Weight Distance Tax, \$41.6 million in other categories, and \$27.1 million in Motor Vehicle Operators fees, for a total expected FY 2023 Road Fund Revenue of \$1.72 billion.

Bike Walk Kentucky

Mike Sewell, President, Bike Walk Kentucky gave a brief presentation on the mission of Bike Walk Kentucky. Bike Walk Kentucky envisions a healthy and active Kentucky in which cycling and walking are safe, accessible, and welcoming to all, without regard to ability or income through development of bicycle facilities, multi-use paths and trails. Bike Walk Kentucky believes it is important to advocate for this due to aggressive driving, speeding, risk-taking, distracted driving, and impaired driving. According to the National Highway Traffic Safety Administration (NHTSA), 94 percent of crashes are influenced by human error, and errors like aggressive driving are made worse by ignoring the user experience.

Mr. Sewell stated the transportation structure truly is the lifeblood of communities even beyond the moving of goods and services. Mr. Sewell is an engineer and stated when the engineer's creed is taken, it is taken for the protection of lives. He added the previous presentation showcasing the flood responses show that Kentucky is doing a fantastic job in trying to keep people safe and completing tasks correctly. He added that is exactly what Bike Walk's goal is for the biking and pedestrian community across Kentucky.

The objectives of Bike Walk are to advocate for and assist communities in developing bike-walk plans across Kentucky, unite and be a voice for all cyclists and

walkers with an emphasis on access and safety, promote healthy activities and lifestyles both on and off the road, and lastly to encourage economic growth and vitality utilizing Kentucky's beauty, historic, and natural resources.

Bike Walk works with government officials and other organizations to make cycling and walking more accessible and safer for all. They assist communities and businesses on achieving their bike friendly status. Bike Walk engages Kentuckians of all abilities, interests, and skills to increase knowledge, acceptance, and understanding of cycling and walking, whether for transportation, recreation, or both. By working with government officials and through educational programming, Bike Walk is working to create an environment and promote individual behaviors that promote safety. Because of Kentucky's natural beauty, easy access to safe cycling and walking activities will increase visitors to Kentucky and grow Kentucky's economy. The presentation Mr. Sewell provided to the committee listed several valuable resources for walking, hiking and cycling, as well as how to get involved with Bike Walk Kentucky.

Jennifer Kirchner, Executive Director, KBT stated KBT is a unified voice for all modes of transportation, which works at the local, state, and federal levels. She added one way those goals can be accomplished is through the committee structure. With the introduction of the bi-partisan infrastructure law and subsequent funding, discussions with the Public Transit and Safety Committee, and conversations with KYTC, KBT saw that it was in the best interest to reorganize that committee and it is now the Public Transit Access and Safety Committee. The committee will focus on the individual user in the transportation system. Ms. Kirchner stated walkers, riders, and car drivers all must be compatible in the shared environment. She added there are a lot of proven methodologies that are very successful in doing this. One method is called Complete Streets. The Complete Streets concept encompasses many approaches to planning, designing, and operating roadways and right-of-ways, with all users in mind, to create a transportation network that is safer and more efficient. Because of a 16 year high in traffic fatalities in 2021, addressing safety is a substantial cause for increased funding in the bipartisan infrastructure law.

Chairman Higdon commented that there is an increased number of sidewalks being added into the Road Plan, whereas sidewalks used to be primarily a city issue. He added there has been some pushback because of that. Chairman Higdon also commended the federal Transportation Alternatives Program (TAP), which helps fund multi-modal infrastructure.

Consideration of Referred Administrative Regulations

Captain Marshall Johnson, Driver Testing Branch, KSP briefly spoke on the administrative regulations that were referred to the committee. The administrative regulations that were referred were 502 KAR 010:120, 502 KAR 010:110, 502 KAR 010:090, 502 KAR 010:080, 502 KAR 010:070, 502 KAR 010:060, 502 KAR 010:050,

502 KAR 010:040, 502 KAR 010:035, 502 KAR 010:030, 502 KAR 010:020, and 502 KAR 010:010. No objections were raised, and these regulations were not found to be deficient or deferred.

Study Report

The July Report for the Interim Staff Study on Electric Vehicles and Transportation Funding was provided to members. In the 2022 regular session of the General Assembly, House Bill 8, Section 56 required staff to report to LRC monthly during the interim on these topics for referral to the Interim Joint Committees on Appropriations and Revenue and Transportation. The study is being done over five months, and the study report provided the second round of ten states reviewed. Studies will be issued each month, with a compilation of all 50 states produced at the end of the interim. This report was produced by the staff of the Appropriations and Revenue Committee and was reviewed by the staff of the Transportation Committee prior to publication.

Chairman Higdon introduced and welcomed Ashley Nash, a new analyst for the Transportation Committee, who is a graduate of Transylvania University and the Chase Law School at Northern Kentucky University.

With no further business to come before the committee, Chairman Higdon adjourned the meeting at 2:17 PM.