Ky road projects down by more than 50% this summer

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KENTUCKY LANTERN

State road projects across Kentucky have dropped dramatically this summer, usually one of the busiest times for road crews.

The Kentucky Lantern analyzed monthly documents called Eligible Bidders Lists from this summer and the previous two summers published by the Kentucky Transportation Cabinet that show the various road projects the cabinet is seeking bids for from asphalt paving and construction companies. Much of the cabinet's summer work is asphalt resurfacing, where road paving companies put a fresh layer of asphalt on a road.

The Lantern found that the cabinet has listed dramatically fewer road projects in total this summer — roughly one-third of the projects it advertised during the summer of 2025.

Over June and July of 2025, the cabinet listed 161 road projects that companies were bidding on. Over June and July of this year, the cabinet listed 16 projects.

In an emailed statement provided at the close of business Friday, Transportation Cabinet spokesperson Naitore Djigbenou said the cabinet "forecasts project cash balances and prioritizes paying for ongoing projects or operational obligations first before awarding new contracts."

"Our summer project advertisements primarily featured projects already in the pipeline or with dedicated federal or general funds that we could advance," Djigbenou said. "Additional resurfacing project advertisements were possible in August based on recent cash model projections and we expect to advertise and award more contracts in the coming months."

The pulling back of road work this summer has happened as the GOP-controlled state legislature has sharpened criticism over a shortfall in the state's road fund created in part by a temporary gas tax holiday enacted in May by Democratic Gov. Andy Beshear. The overall amount of gas tax revenue collected by the state has also fallen even before Beshear enacted a gas tax break this year.

Djigbenou said the governor's executive order enacting a gas tax holiday did not affect the cabinet's ability to move forward with road projects and that "primary factors informing when to award projects have been budgetary constraints from the budget enacted by the General Assembly."

The executive director of a group representing the road paving and construction industry told the Lantern his industry is feeling the strain from a lack of road work.

The lack of work "is significantly impacting contractors and their ability to keep employees working in Kentucky," said Chad LaRue, the executive director of the Kentucky Association of Highway Contractors.

"KAHC is working to learn more about why project lettings have been reduced so significantly, but we do believe that the state's highway construction needs are overtaking the funding that is available, especially given inflationary pressures," LaRue said. "We look forward to working with KYTC and our state policymakers to learn more and explore solutions that will allow for continued economic growth, safe roads and bridges for our citizens, and a means for contractors to continue employing thousands of Kentuckians and contributing to their communities."

Andrew McNeill, the executive director of the free market-focused think tank Kentucky Forum for Rights, Economics and Education, who's been critical of the cabinet awarding single-bid road work projects, told the Lantern he believed the cabinet trying to make up for a shortfall in the state's road fund by delaying road projects is a "drastic measure."

"They are using a hatchet to solve a problem that, with proper management, could likely be handled with a scalpel," McNeill said. "I absolutely think that both the cabinet and the governor owe a more detailed explanation to the taxpayers of this state."

McNeill, who served as a deputy state budget director under former Gov. Matt Bevin, said there are thousands of miles of roads across the state that, at best, are "being delayed in their repairs, in the repaving, in the installation of safety measures."

Shaun McKiernan, the executive director of the Office of Budget and Fiscal Management in the Transportation Cabinet told lawmakers in an Aug. 4 legislative meeting that revenue from motor fuels taxes — the tax on the wholesale price of gasoline levied on gasoline dealers and distributors — was down $45 million at the end of the state's 2026 fiscal year. That represented a 5.5% decrease in those revenues and the largest drop by dollar amount of any road fund revenue source.

McKiernan attributed about $20 million of that shortfall to the 10-cent gas tax holiday enacted by Beshear.

The state brought in $790.7 million in gas tax revenues over fiscal year 2026, contributing to a 2.2% decrease in overall revenues going into the state's road fund that sits at approximately $1.8 billion.

In a separate meeting with lawmakers, State Budget Director John Hicks said the road fund's overall shortfall was largely made up by dropping revenue sharing of the gas tax with local counties and cities. Gas tax revenues also saw a more than 7% decrease between fiscal years 2024 and 2025.

In that Aug. 4 legislative meeting, Rep. John Blanton, R-Saylersville, the co-chair of the Interim Joint Committee on Transportation, referenced how the cabinet had issued bidding on only eight projects in July.

Blanton pointed to Kentuckians driving "more fuel-efficient vehicles," and therefore buying less fuel, as a reason for the loss of gas tax revenues. He also said road fund revenues had "flatlined" while road construction costs have increased significantly.

He said the cabinet has fallen behind on projects including road repaving work and the maintenance of secondary and rural roads "because we don't have the revenues to do them."

Blanton said the gas tax as currently formulated "is not working for our system."

"If we don't address this very quickly, it's going to cost more and more the longer we delay this because they're going to get worse and worse," Blanton said. "We have to find a way to create other revenues that's going to help with our road fund."

In an emailed statement provided Saturday through a spokesperson, Sen. Jimmy Higdon, R-Lebanon, the other co-chair of the committee, said the Transportation Cabinet has "cited the need to manage available cash, meet obligations such as debt service and revenue sharing and pace projects according to when they can responsibly be funded and delivered."

He said the legislature has used the state's Budget Reserve Trust Fund, also known as the state's "rainy day" fund, to boost transportation funding given that "traditional road fund revenues have not kept pace with the state's transportation needs."

"Our goal is to be honest with taxpayers, prioritize projects that are ready to advance and make sure the commitments in Kentucky's road plan are deliverable," Higdon said.

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RATES

Rate Class	Present	Proposed	Dollars Increase	Percent Increase
G-1 PBR Charge	$0.2349/Mcf	$0.2349/Mcf	$0	0%
G-2 PBR Charge	$0.2349/Mcf	$0.2349/Mcf	$0	0%
Total Impact to Revenue			$0	0%

Atmos Energy intends to propose an extension of five years to its PBR mechanism revising Sheet No. 18 of its Commission-approved tariff until May 31, 2032. Atmos Energy is also proposing updates to the tier ratios. Atmos Energy believes the PBR has been a benefit to its customers and its shareholders. The PBR mechanism is explained in detail in Sheets Nos. 18-29 of its tariff and Atmos Energy is not requesting that it be revised other than the tier ratios.

Additional information, links, and a copy of Atmos Energy's tariff revisions can be found at Atmos Energy's principal office (3275 Highland Pointe Drive, Owensboro, KY 42303) and on its website (https://www.atmosenergy.com/utility-operationsrates/tariffs-kentucky/). A person may examine this tariff filing at the Commission's office at 211 Sower Blvd. Frankfort, Kentucky, Monday through Friday, 8:00a.m. to 4:30 p.m., or through the Commission's website at http://psc.ky.gov. Comments may be submitted to the Commission through its website or by mail at P.O. Box 615, Frankfort, KY 40602. A person may submit a timely written request for intervention to the Commission, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication or mailing of the notice, the Commission may take final action on the tariff filing. The Commission's phone number is (502) 564-3940 and its website is http://psc.ky.gov. The revisions contained in this notice are the revisions proposed by Atmos Energy but the Commission may order revisions that differ from the proposed revisions contained in this notice. Atmos Energy is not proposing any changes to any rate schedules and the average customer bill will not change.