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RE: State of Kansas Proposed House Bill 2703

Committee Members:

We are writing to comment and provide feedback regarding House Bill 2703. This bill appears to include added language to the existing statutes governing the Kansas Development Finance Authority (KDFA) in response to recent public-private partnership (P-3) initiatives. The legislation as drafted appears to severely limit the opportunity for future P-3 initiatives. Also, if passed, it appears Kansas would be the only state to have such a statute.

The language in this bill also speaks to "indebtedness on behalf of the State", "credit of the State", "pledge state property as collateral", etc. If the current statutes and state contracts don't already adequately protect the State's interest, we believe appropriate statutes or contract language can easily be developed to prevent concerns about indebtedness, without precluding the opportunity for a public private partnership.

In light of the general understanding of the State's interest in efficiencies in government operations, the proposed statute would imply an inefficient way to conduct an approval process. Policy and procedures can be developed and put into place that prescribe an appropriate required process, especially as it relates to P-3 initiatives. The current bill would indicate every project would experience a delay of one or more years working the project through the approval process. Once approved, the project could experience months if not a year plus of inflation resulting in higher project costs. In some P-3s, the delay in approval could cost the state an opportunity to partner with key industries that could bring to the state future growth in business.

Based on the aforementioned items and concerns, it would seem more appropriate to establish a task force made up of representatives of the industry (architects, engineers, contractors, financial and legal professionals) working with representatives of the state (professional and administrative staff) to draft a more appropriate bill for consideration in a future legislative session. This taskforce could study and draw successful legislative models and create a separate bill that would focus on the specific P-3 process. This process, additional review and collaborative effort would better serve the interests of the State of Kansas and more efficiently provide appropriate avenues for delivering successful public projects.

Turner Construction would gladly offer to contribute to the work of the task force, and to assist with industry information, professional experience and other relevant recommendations.

Thank you for your consideration of our comments.

A blue ink signature of Mark Iammarino, written in a cursive style.

Mark Iammarino

Vice President, General Manager

Turner Construction