Approved: February 02, 2016

## MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairperson Mike Petersen at 8:30 am on Wednesday, January 20, 2016, 546-S of the Capitol.

All members were present

# Committee staff present:

Jill Shelley, Legislative Research Department Whitney Howard, Legislative Research Department Adam Siebers, Office of Revisor of Statutes Carolyn Long, Kansas Legislative Committee Assistant

# Conferees appearing before the Committee:

Mike King, Secretary, Kansas Department of Transportation

Others in attendance:

See Attached List

# **Possible bill introductions**

There were no bill introductions.

The Chair called for approval of the Minutes from January 13, 2016. Moved by Senator Schmidt, seconded by Senator Pettey that the minutes be approved as submitted. Motion carried.

# **Agency Update**

Agency Update

Chairman Petersen welcomed Mike King, Secretary of Transportation. Secretary King reminded the committee that transportation is not just about highways. It is multimodal, providing people choices as to where they live and work and making sure they have a good travel experience. Most importantly is to ascertain the customer and safety comes first (Attachment 1).

The T-Works program is a prime example of a multimodal program and provides the public the options they indicated were important. One of those options is aviation. The Kansas Department of Transportation (KDOT) has spent \$5 million per year in aviation and during the past four years have provided repairs to 92 airports. He reminded the Committee that February 3, 2016 from 11:00 a.m. to 2:00 p.m. is Aviation Day at the Capitol with vendors set up in the Rotunda. The 2015 Fly Kansas Air Tour stopped in 12 cities and had 700 student participants. Work is underway for a similar tour in 2016.

Freight corridors were identified by the Freight Advisory Committee. In the past five years, \$26 million has been invested or loaned for key improvements to short line railroads around Kansas.

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## MINUTES of the Committee on Transportation at 8:30 am on Wednesday, January 20, 2016 in Room 546-S of the Capitol.

Amtrack has continued to see a rise in the number of passengers in Kansas over the year and continues to show increases year after year, due this year in a large part to the popularity of the Kansas City Royals. Four additional cars were added to the Kansas City-Chicago route for the Cubs game. The Amtrak Southwest Chief which runs from Chicago to Los Angeles had a record year with 367 thousand passengers, 49 thousand of which were Kansans.

Highway construction lettings in FY 2015 totaled \$669 million for monthly lettings and in FY 2016 the anticipated total is \$644 million. This does not include the local and city and state partners which total approximately \$140 million. In addition it does not include contracting with engineering partners, CLINK the City Connecting Link program, or other safety measures.

Secretary King shared a map which showed area served by the T-Works program which was initiated in 2010. He noted that approximately 80 percent of the corridors have been affected.

The Secretary gave a brief explanation of a handout he had prepared for each Senator which indicated what had been accomplished in each Senator's district through the T-Works Program.

Sharing a graph of KDOT expenditures, the Secretary pointed out that the Special City and County Highway Fund continues to receive 1/3 of the Kansas gas tax. An additional graph displayed the agency operations budget showing their original projections vs current and actual expenditures. KDOT is operating with fewer personnel and, as a result, 75 percent have received a pay enhancement or raise during the last two years as a result of retirement or departure of personnel.

When T-Works began it was projected that \$1.725 billion would be required. Bonds have been issued in 2010, 2012, 2014, and\$ 400 million in the fall of 2015. Last year the agency went over the statutory cap based on the projection that the Federal Reserve would raise the rates. KDOT will return below the cap in FY 2018 the Secretary said.

Transportation in the state of Kansas allows a resident the flexibility to live in a small town and work in a large town. There are safe state highways every 30 miles which run east-west and north-south. Technology is changing the expectations and pushing the Department to provide more options.

Lifestyle choices within the State regarding travel experiences should include a quality infra-structure, scenic byways and a transportation system which is provided in a responsible way.

The Reason Foundation provides highway performance rankings in 14 areas of responsibility, ranking Kansas in the Top 5 as number 5. In a 2014 report based on 2012 statistics, Kansas was ranked #1 for the interstate system but #33 in fatalities per miles driven and also low on local bridges. Since that report, in 2015 Kansas recorded the second lowest number of fatalities since 1947.

The Secretary reported 97% of the interstate is in good condition, 90% of the non-interstate roads are in

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good condition, and 87% of the bridges are in good condition, which is above the 85% target.

The Secretary thanked the Legislature for performing the Efficiency Study as it is always beneficial to have another set of eyes looking at an operation. KDOT eliminated the Osage City office and will continue to look at other closings; however, at this time the agency is not recommending any further closings. Four counties are represented in each area office and consolidation would not provide the service required. In 2012 the Department sold 375 pieces of equipment and this year the number was 222. He said to increase efficiencies, KDOT and the Kansas Turnpike Authority (KTA) have combined bridge inspections.

Also in his presentation, the Secretary briefly touched on a recent 2015 TIGER grant for a Regional Truck Parking Information and Management System (TPIMS) which provides truckers with available parking at rest areas and exits. The KTA is experimenting with removing gates in the express lanes in an attempt to keep a smooth flow of traffic. Cameras are positioned to capture both front and back license plates.

During his presentation, Secretary King introduced KDOT personnel in the audience:

- Jerry Younger, State Transportation Engineer and Deputy Secretary;
- Joel Skelley, Director of Policy;
- Keith Bradshaw, Fiscal Services Director; and
- Halee Lindstrom, Legislative Liaison

Most importantly the Secretary said that KDOT's ultimate goal was safety. Seat belt usage at 86% is at an all-time high in Kansas. It has been shown that 90% of all passengers buckle up if the driver buckles up.

The Chair thanked the Secretary for his presentation and opened up questions from the Committee.

Senator Donovan asked about problems with capturing the licenses in the KTA experiment. Secretary King said their biggest issues were weather and attachments to the bumper such as hitches with oversized balls.

Senator Schmidt inquired if KDOT would support a seat belt fine increase and the Secretary answered in the affirmative. She also inquired what effect the \$25 million decrease in funding would impact the Department's projects. Jerry Younger responded to this question, stating that typically preservation and construction would cover 1200 miles per year. With the decrease in funding, 200 miles would be covered through the IR Program in FY 16. KDOT is planning on advancing an additional 50 million into the IR Program which would result in an additional 200 miles being covered. Senator Schmidt also inquired as to the statement made by the Secretary regarding employee raises. Secretary King

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responded that indeed they did give all equipment operators a 5% raise, affecting approximately 900 people, leaving them in the classified position. Returning to the T-Works Program, Senator Schmidt thought that 80% of the dollars was to go to preservation. Secretary King responded that of the \$8 billion, \$2 billion went to expansion and modernization, \$4 billion to preservation, and the remainder to local entities. Senator Schmidt said that she had not received information about their decision to exceed the 18% cap even though this information was shared with the Senate Ways and Means Committee and the House Budget Committee and she asked the Secretary to please share that type of information with all legislators in the future.

Senator Hensley said that regarding the issue of the cap, there was a proviso in the budget bill which changed the statute and in his opinion this was unconstitutional. The Senator also wondered as the Department was getting ready to embark on a fourth transportation plan, what amount of confidence would the stakeholders have in KDOT as a result of the dollars that have previously been diverted from KDOT to the General Fund. Secretary King wondered if 10 years was too long for a program as past expenses have been below projections due to low bids, low oil prices, and projects being completed under budget. The Secretary stated that over \$1 billion dollars had been diverted to the General Fund since he became Secretary.

Jerry Younger responded to Senator Hensley's question regarding approval for a 5% pay raise for equipment operators. The approval was granted through the Department of Administration to be in line with the current market.

Senator Hensley also asked about the rumored possibility that on a future ballot there would be a constitutional amendment prohibiting future legislators or governors from diverting KDOT funds by placing those funds in a "lockbox." The Secretary responded that KDOT is reviewing this regarding possible benefits and negatives.

Senator Wolf inquired about the 20-year bond and how that was being paid. The Secretary said the bonds were in the amount of \$400 million with interest being paid the first 10 years and the principle and interest in the following years which is standard practice.

Senator LaTurner inquired about the Highway 69 project. The Governor said it was on schedule for 2017; however, should any further diversions or transfers result, this project would have to be revisited as it has exceeded requirements for preservation and requires modernization.

Due to a time restraint, Chairman Petersen withheld remaining questions, thanked the Secretary and his staff for their presentation, and adjourned the meeting at 9:30 a.m.

The next meeting is scheduled for Thursday, January 21, 2016