

Approved January 25, 1983  
Date

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES

The meeting was called to order by SENATOR ROBERT V. TALKINGTON at  
Chairperson

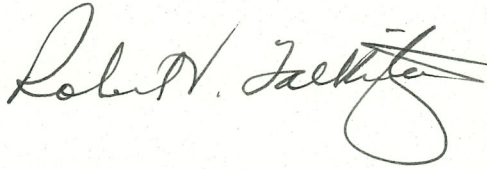
9:00 a.m./p.m. on January 25, 1983, 19    in room 254-E of the Capitol.

All members were present except:

All members present.

Committee staff present:

Fred Carman, Hank Avila, Rosalie Black



Conferees appearing before the committee:

John B. Kemp, Secretary of Transportation, Dept. of Transportation.

The meeting was called to order by Senator Talkington who introduced John B. Kemp, Secretary of Transportation, to discuss recommendations by the Department of Transportation and the Governor's budget recommendation for FY 1984 state and local highway funding. (See Attachment 1.)

Secretary Kemp explained that the Governor's highway funding proposal consists of a phased in transfer of retail sales tax receipts from the sale of new and used motor vehicles, parts, accessories, and services from the State General Fund to state and local highway programs and the release of funds currently dedicated to the freeway program for use as system-wide priorities dictate. (See Attachment 2.) The sales tax transfer is phased in by 25 percent annual increments over four years. The freeway fund release is phased over three years.

The sales tax transfer was also recommended by former Governor Bennett's Task Force on the Future of Kansas Transportation System. The freeway fund release will allow a transfer of \$110 million from the State Freeway Fund for use on the statewide system. Analysis shows that it is possible to release \$50 million in FY 1984, \$40 million in FY 1985, and \$20 million in FY 1986 without jeopardizing the ability of the freeway fund to meet debt service requirements or to complete projects currently programmed. Freeway projects now slated to be financed with freeway funds will be removed from

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES,  
room 254-E, Statehouse, at 9:00 a.m./p.m. on January 25, 1983, 19   

John B. Kemp, Secretary of Transportation (continued)

consideration as freeway funded projects and compete with other state projects on a system-wide priority basis.

Referring to state highway needs, Secretary Kemp said there is a funding need of \$152 to over \$250 million, however, a shortfall of \$110 to \$215 million for non-interstate roads and bridges exists. Aid from the newly enacted federal gasoline tax increase will reduce this shortfall only modestly. He added that available revenue under the current funding structure is inadequate to finance even a minimal maintenance and preservation program. Only about \$7 million in state funds from current sources is available for improvements to the state highway system and to match federal funds in FY 1984.

Secretary Kemp summarized that the Governor's proposal provided an additional \$211.3 million over a four-year period for state and local road improvements. In addition, the proposal redirects \$110 million of existing dedicated funds to use as statewide priorities require. Over the period of FY 1984-1987, the program provides an average of over \$80 million annually in resources.

PROPOSAL - CWIP

Senator Talkington asked the members if they wanted to introduce into the Committee a proposal that would require utility customers to pay construction costs of unfinished power plants. (See Attachment 3.)

Senator Burke moved to introduce the CWIP proposal into the Committee; seconded by Senator Johnston. The Committee voted favorably for introduction.

The meeting was adjourned at 9:57 a.m.

Please PRINT Name, Address, the organization you represent, and the Number of the Bill in which you are interested. Thank you.

NAME	ADDRESS	ORGANIZATION	BILL NO.
W.R. Whitman	Box 208 Wichita	KU	
DWAYNE ZIMMERMAN		TOPEKA THE ELECTRIC CO. ASSOCIATION	
JAMES HAINES	Box 208 WICHITA KA	K&E	
ROY D. SHONKA		K. O. P. L. C.	
DEAN JENNINGS		K. O. P. L. C.	
TERRE L. OLIVER		E. D. E. Co.	
GARY STOTE		BUDGET	
FRANK LORAN		K&E	

Governor's Budget Recommendation  
Supplemental Explanation

STATE AND LOCAL  
HIGHWAY FUNDING

Division of the Budget  
January 17, 1983

*Attch. 1*

GOVERNOR'S BUDGET RECOMMENDATIONS  
Supplemental Explanation

SUBJECT: State and Local Highway Funding

SUMMARY

Governor Carlin's budget recommendations for FY 1984 provide increased funding for state and local highway programs without an additional tax levy directly on road users. It does, however, continue the principle of financing state and local highway programs from user-related revenues. The Governor's highway funding proposal contains two components: (1) a phased in transfer of retail sales tax receipts from the sale of new and used motor vehicles, parts, accessories, and services from the State General Fund to state and local highway programs; and (2) the release of funds currently dedicated to the freeway program for use as system-wide priorities dictate. The sales tax transfer is phased in by 25 percent annual increments over four years. The Freeway Fund release is phased over three years. Funds are distributed between state and local units on a 65-35 percent basis, except that local units may not receive more than 100 percent of the sales tax transfer in any one year.

The financial impact of the Governor's proposal is summarized below:

Governor Carlin's Highway Funding Proposal  
(Millions of Constant 1984 Dollars)

<u>Measure</u>	<u>Fiscal Years</u>			
	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>
Sales Tax Revenue	\$84.5	\$84.5	\$84.5	\$ 84.5
Percent to Highways	25.0%	50.0%	75.0%	100.0%
Yield to Highways	<u>\$21.1</u>	<u>\$42.3</u>	<u>\$63.4</u>	<u>\$ 84.5</u>
Freeway Transfer	50.0	40.0	20.0	--
Total to be Distributed	<u>\$71.1</u>	<u>\$82.3</u>	<u>\$83.4</u>	<u>\$ 84.5</u>
Local Share	\$21.1	\$28.8	\$29.2	\$ 29.6
State Share	50.0	53.5	54.2	54.9
TOTAL	<u>\$71.1</u>	<u>\$82.3</u>	<u>\$83.4</u>	<u>\$ 84.5</u>

BACKGROUND

State Highway Needs

There is general agreement that highway needs far exceed available funds. For four years, the Governor has recommended major highway funding increases. Two legislative interim committees (1980 and 1981) have studied

highway needs and concluded that current funding for state and local roads and bridges is inadequate. Both committees recommended that additional funds be appropriated to meet highway needs.

Estimates of funding needs prepared by the Department of Transportation for previous Legislatures have ranged from \$152 million to over \$250 million. After application of available federal funds to meet these needs, a funding shortfall of \$110 to \$215 million for non-interstate roads and bridges remained. As explained below, aid from the newly enacted federal gasoline tax increase will reduce this shortfall only modestly.

Available revenue under the current funding structure is inadequate to finance even a minimal maintenance and preservation program. Only about \$7 million in state funds from current sources is available for improvements to the state highway system and to match federal funds in FY 1984.

Despite recent reductions in the rate of inflation, the bid price index for 1981 is 57% higher than it was in 1977. During the same period, collections from the motor fuel tax have stabilized; estimated FY 1984 collections are projected to be roughly \$4 million less than those in 1977. The continued popularity of small cars and development of more efficient engines makes future increases unlikely.

#### Local Needs

Cities and counties are responsible for 20,477 bridges and approximately 125,000 miles of roads and streets. The city/county rehabilitation and replacement needs have been studied by the Road Information Program (1982), the Kansas Engineering Society (1981) and Wilbur Smith and Associates (1962). In addition, the Federal Highway Administration annually publishes a national bridge inventory listing substandard Kansas bridges. Although their estimates of needs and corresponding costs vary, all conclude that a significant portion of local roads are considered as fair or poor and a large percentage of bridges are classified as functionally obsolete or structurally deficient. Virtually every highway funding proposal in recent years has earmarked a portion of any new source of funds to assist local governments in meeting road and bridge needs.

#### Federal Funding

The 1982 Surface Transportation Assistance Act (STAA), signed by the President on January 6, 1983, provides federal-aid highway authorizations for federal fiscal years 1983-1986. The Kansas share of federal construction aid is compared with prior years in the following tables.

1982 SURFACE TRANSPORTATION ASSISTANCE ACT (STAA)  
ACTUAL (1981-1982) AND ESTIMATED (1983-1986)  
FEDERAL CONSTRUCTION APPORTIONMENTS  
(Dollars in Millions)

Category	Match Ratio	Actual		STAA 1982 Estimates			
		1981	1982	1983	1984	1985	1986
Interstate Completion	90-10	30.7	23.1	26.0	26.0	26.0	26.0
Interstate 4R	90-10	3.7*	9.6	21.6	26.6	31.0	34.9
Primary	75-25	27.7	22.3	26.1	29.6	32.4	34.5
Secondary-State (20%)	75-25	2.4	1.6	2.6	2.6	2.6	2.6
Secondary-Local (80%)	75-25	9.8	6.4	10.3	10.3	10.3	10.3
Urban-Local	75-25	6.9	6.5	6.5	6.5	6.5	6.5
Bridge-State (55%)	80-20	13.6	10.0	23.5	24.3	26.0	31.0
Bridge-Local (45%)	80-20	11.2	8.2	19.2	19.9	21.3	25.4
Other-Local	Varied (90-10)	10.0	9.6	8.6	8.6	8.6	8.6
Subtotal - State		78.1	66.7	99.7	109.1	118.0	129.0
Subtotal - Local		37.9	30.8	44.6	45.3	46.7	50.8
TOTAL		116.0	97.5	144.4	154.4	164.7	179.9

\* Matching Ratio 75-25 for 1981

Note: Detail may not add to totals due to rounding

FEDERAL CONSTRUCTION CATEGORY APPORTIONMENTS COMPARISON  
(Dollars in Millions)

Category	Average 1979-1982	Estimated Average 1983-1986	Per year Average Gain (Loss)
Interstate Completion	30.6	26.0	(4.6)
Interstate 4R	4.5	28.5	24.0
Primary	24.9	30.7	5.7
Secondary-State (20%)	2.1	2.6	.5
Secondary-Local (80%)	8.4	10.3	2.0
Urban-Local	6.8	6.5	(.3)
Bridge-State (55%)	11.4	26.2	14.7
Bridge-Local (45%)	9.4	21.4	12.1
Other-Local	9.9	8.6	(1.2)
Subtotal-State	73.6	114.0	40.3
Subtotal-Local	34.4	46.9	12.5
TOTAL	108.0	160.8	52.8

NOTE: Detail may not add due to rounding.

The new Act provides an average of approximately \$52.8 million per year in additional construction funds to state and local units over the 1979-1982 average. Of the \$52.8 million increase, \$40.3 is available for state use and \$12.5 for local units of government. The funding emphasis in the new Act is on (1) the interstate system (\$19.4 million average difference); and (2) replacement and rehabilitation of deficient bridges (\$14.7 million for the state system and \$12.1 million for local units).

At the state level, the new non-interstate (primary, secondary and bridge) funding level of \$59.4 million per year represents a \$20.9 million increase over \$38.5 million average estimated as available in previous analyses of needed funding. Consequently, the state funding shortfall is reduced by \$20.9 million to a level of approximately \$90-195 million.

As can be seen from the table, state match requirements vary by category. Interstate funds require that 10 percent of the project be paid by the state; primary and secondary aid require 25 percent and bridge funds 20 percent. The average state match required for the state system share of the construction funds in the new bill is \$23.7 million per year. An additional \$2.8 million per year is required to match accumulated federal apportionments from previous years which could not be spent due to the low federal obligation ceiling. Taken together, a total of \$26.5 million per year is needed to match new and unused federal-aid construction apportionments. However, it must be remembered that designing a state highway program solely around federal match requirements substitutes federal priorities for state priorities to the detriment of the total state highway system.

As the table shows, local units make significant gains in bridge funding under the new Act, but receive somewhat lower levels of funding in the federal-aid urban and "other" categories and receive only slightly more in federal-aid secondary. It is estimated that local units will require \$13.7 million to match their share of federal funds (including unused balances) under the new bill, or approximately \$9.2 million more than required under the former act.

In summary, while the new federal Act will improve the total revenue situation, little is provided to assist the state and local units with primary, secondary or urban system needs. Moreover, additional state and local resources are necessary to match the new federal assistance, and even with the added federal aid, a sizeable gap remains between needs and resources.



### Governor's Proposal

The Governor's proposal to assign sales tax revenues from the sale of new and used motor vehicles, parts, accessories, and services to streets and highways and to release \$110 million in Freeway Fund resources for system-wide use is based on the following premises:

- (1) An adequate long-term funding plan must be established by the 1983 Legislature to respond to the pavement preservation backlog and to allow for the orderly development of road and bridge projects.
- (2) The Department of Transportation must have maximum flexibility to use existing state highway resources as statewide priorities dictate.
- (3) Transportation funding should continue from user related revenues and should, to the extent possible, contain reasonable prospects for growth on a year to year basis.
- (4) Sufficient state resources must be provided to match available federal funds.
- (5) The state should continue to share any additional fiscal resources with local units of government.

The Governor's proposal provides an additional \$211.3 million over a four year period for state and local road, street and bridge improvements. In addition, the proposal redirects \$110 million of existing dedicated funds to use as statewide priorities require. Over the period of FY 1984-1987, the program provides an average of over \$80 million annually in resources.

State-Local Split. The Governor's proposal provides that the new resources will be shared between state and local governments on a 65-35 percent basis. A 65-35 split is proposed because it has been the approximate basis of distribution for motor fuel tax receipts since 1970 and was recommended by both the 1980 and 1981 interim legislative committees. The proposal does limit local units to no more than the sales tax transfer in any one year; this affects the distribution in the first year only and is necessary because most of the revenue to the State Freeway Fund comes from the motor fuel tax which has already been shared with local units.

Sales Tax Transfer. The Governor has proposed the transfer of vehicle-related sales tax revenue from the State General Fund to road and bridge purposes for two years. This transfer was also recommended by former Governor

Bennett's Task Force on the Future of the Kansas Transportation System (Recommendation No. 32). Due to the shortfalls in State General Fund revenues in the current year, the Governor's FY 1984 proposal phases in the transfer over four years. Because revenues must be phased in, resources to meet statewide system needs must be supplemented until the transfer is fully implemented.

Freeway Fund Release. In order to raise the FY 1984, FY 1985 and FY 1986 program to an adequate level, the Governor's proposal calls for the release of \$110 million from the State Freeway Fund for use on the statewide system. This release will balance the program over the four year period and allow the department to meet statewide needs on a priority basis. Analysis shows that it is possible to release \$50 million in FY 1984, \$40 million in FY 1985, and \$20 million in FY 1986 without jeopardizing the ability of the Freeway Fund to meet debt service requirements or complete projects currently programmed. Candidate projects currently proposed for implementation with freeway funds will, however, be removed from consideration as freeway funded projects and compete with other state projects on a system-wide priority basis. The proposal also anticipates continuation of the existing policy of using federal primary and bridge funds for programmed freeway projects and use of state freeway funds for freeway maintenance through FY 1986.

Kansas Department of Transportation  
January 17, 1983

## FREEWAY PROGRAM TRANSFER

### INTRODUCTION

The State System of Express Highways and Freeways, commonly referred to as the freeway system, was designated with the passage of 1969 House Bill 1142. This bill provided for a separate construction program for modern express highways and freeways to link the principal population centers of the state to each other and major cities in the surrounding states. A map showing this system is attached.

Prior to the authorization of bond sales of \$320 million for the freeway system by the 1972 Legislature, funding was from the motor fuel tax and federal funds. The last bonds were sold in FY 1979. Revenue from the bond sales was deposited to the Freeway Construction Fund and is used for construction.

The Secretary of Transportation presented the 1982 Legislature with a report on the freeway program, arguing for the transfer of funds from the Freeway Fund to the Highway Fund as a stopgap funding measure. A number of options were presented -- none were acted upon. During the summer of 1982, the Secretary directed that the Freeway Fund pay for maintenance of the freeway system. This action freed approximately \$13 million for FY 1982 and FY 1983 to allow an improvement program on the state system outside the freeway system to occur.

It now appears that the possibility of sufficient new funding for highways for FY 1984 is waning as the economy worsens. Any new state revenue would likely be required to meet other needs. Therefore, the Governor has recommended a transfer from the Freeway Fund to the Highway Fund to meet statewide needs on a priority basis. Analysis shows that it is possible to make transfers of \$50 million in FY 1984, \$40 million in FY 1985, and \$20 million in FY 1986.

### ANALYSIS ASSUMPTIONS

The assumptions in the analysis are:

1. The Freeway Fund must be able to meet all debt service requirements through "normal" revenue proceeds. An alternative would be to "force" the Highway Fund to make the debt service payments. That appears undesirable given that a purpose of the Freeway Fund is "for the retirement of highway bonds and highway refunding bond issued under the provisions of this Act" (KSA 68-2301).

2. All revenue sources currently in force will continue. The State Freeway Fund was established to pay the principal and interest on the bonds. The State Freeway Fund money can be used to either reduce debt or for construction projects. However, the first priority must be the debt.

*Atch. 2*

Prior to FY 1980, the State Freeway Fund received some of the motor fuel tax revenue and the interest on the invested State Freeway Funds and State Freeway Construction Funds. However, the 1979 Legislature transferred \$35 million from the State Freeway Fund to the State Highway Fund. In order to provide for the payback of those funds, the interest from the State Highway Fund and various percentages of the motor fuel taxes that had traditionally gone to the State General Fund (not the State Highway Fund) were dedicated to the State Freeway Fund. Under current law this transfer would continue after the payback (with interest) of the \$35 million. While 1981 Senate Bill 9 contained provisions to divert the payback funds after the payback to the State Highway Fund, it did not become law. That bill did not receive even first committee discussion; the provisions were not incorporated in any other proposed legislation.

Previous analyses presented to the Legislature were based upon these revenue sources to the Freeway Fund terminating after the payback is complete. This analysis takes the opposite approach, i.e. that these sources will continue to the Freeway Fund. The difference in the two approaches centers on when the payback source receipts would be available to the Highway Fund. If we assume that the Legislature would pass legislation similar to 1981 S.B. 9, then the Highway Fund would begin receiving these revenues sometime after 1987. If we assume that the sources will remain to the Freeway Fund, the size of the Freeway Fund balances necessary now to supplement fuel tax revenues for debt service can be decreased. The impact is a greater amount available for transfer.

3. Projects currently programmed will be completed. The analysis holds sufficient funds available to meet the payouts on all projects currently programmed. Those projects are shown in the attached table taken from the Annual Freeway Report.

→ Candidate projects would not be completed using freeway program funds. These five projects are:

<u>Freeway Priority No.</u>	<u>Route</u>	<u>Co.</u>	<u>Description</u>	<u>Est. Cost</u>
1	US-73	LV	NW of Leavenworth, NW to Jct. K-192 (7.0 miles)	\$17 million
2	US-54	KM	W. Jct. K-14 E. to 2.5 miles NE of Kingman (8.0 miles)	\$16 million
3	K-96	BU	1 mile E. of Leon East to BU-GW Co. Line (14.0 miles)	\$12 million
4	US-54	KM	PR-KM Co. Line, East to West Jct. K-14 (15.0 miles)	\$13 million
5	US-36	DP	1 mile E. of BR-DP Co. line, SE to E. of Troy (14.0 miles)	\$32 million

Source: KDOT March 1, 1982 Memo to House Transportation Committee.

Under the Governor's proposal, these 5 projects would compete with all other state projects for priority. While the uncertainty of funds makes it impossible to predict how soon these projects could be programmed, if the Governor's proposal is passed, it appears likely that contracts will be let within the next 3-5 years.

If the candidate projects were completed with freeway program funds, then the result would be one, or a combination of the following:

(1) decrease the amount available for transfer; (2) decrease ability of the Freeway Fund to pay for freeway system maintenance; (3) increase the need to program federal-aid funds for freeway, as opposed to statewide projects; (4) provide for a "payback" mechanism from the Highway Fund.

4. Federal-aid is used. The 1980 Legislature established a restriction on the use of federal-aid for freeway construction projects contained in Chapter 11 of the 1980 Session Laws:

- (e) On and after July 1, 1980, the Department of Transportation shall discontinue expenditures of federal-aid primary funds for freeway construction projects other than those projects for which construction contracts were awarded prior to July 1, 1980. No expenditures of federal-aid primary funds shall be made for acquisition of right-of-way for freeway construction projects initiated on and after July 1, 1980, or for engineering or design of freeway construction projects initiated on and after July 1, 1980.

KDOT believes that federal-aid primary funds can still be used for preliminary engineering and right-of-way on projects in the current program since the law states "construction projects initiated on and after July 1, 1980." KDOT also believes that the restriction does not relate to federal funds other than primary funds. This allows the use of bridge funds with the State Freeway Construction Fund. Since the restriction was part of the FY 1981 appropriation bill and did not become part of the Kansas Statutes Annotated, it appears that the limitation actually applied only to FY 1981. However, there is still a question of legislative intent. Should it be necessary to use primary funds on freeway projects, KDOT believes it has the option to use the funds for the freeway projects.

The analysis is based upon the use of federal-aid primary funds approximately equivalent to 20% of Federal-Aid Primary apportionments and bridge funds on project bases. The funds are programmed so that the Freeway Construction Fund will zero out at the end of the last project. Stated differently, enough federal aid is programmed so that Freeway Funds are not used on projects.

5. Freeway Maintenance is paid from Freeway Fund. On May 14, 1982, the Secretary of Transportation announced to the Highway State Advisory Commission that he was directing approximately \$10 million in maintenance expenditures on the state's freeway systems to be charged to the state's Freeway Fund, thus releasing an equal amount of State Highway Fund monies for preservation projects on the total system. The Secretary noted that this represented a major change in departmental policy. Previously, freeway system maintenance has been paid from the Highway Fund. The FY 1982 - FY 1985 program is based upon this policy. Sufficient funds would be available to continue this policy through the transfer years (FY 1984, FY 1985, and FY 1986) when the Freeway Fund will have revenues sufficient for debt service only.

TABLE 1

ADJUSTED BALANCES ENDING FY 1982 OF THE  
STATE FREEWAY FUND & THE FREEWAY CONSTRUCTION FUND

	State Freeway Fund (\$1,000)	Freeway Const. Fund (\$1,000)
Cash Balances	1,144	795
Invested Funds	121,579	109,144
Interest Earnings Transfer (est.)	250	-250
Due State Hwy. Fund for FY 1982 Exp.	-657	-306
Due from FHWA for FY 1982 unpaid	11	39
Due State Highway Fund for June Maint.	-776	0
	121,551	109,442

TABLE 2: INVESTMENT EARNINGS TO FREEWAY FUND

Fiscal Year	State Highway Fund			Freeway Const. Fund			State Freeway Fund		
	Avg. Annual Balance (\$1,000)	Investment Percent	Yield (\$1,000)	Funds (\$1,000)	Investment Percent	Yield (\$1,000)	Funds (\$1,000)	Investment Percent	Yield (\$1,000)
1983	36,380*	9.5%	3,456	96,868	9.0%	8,718	120,407	8.5%	10,235
1984	39,177*	8.5%	3,330	67,419	8.5%	5,731	104,773	8.0%	8,382
1985	20,000	8.0%	1,600	30,851	7.5%	2,314	63,115	7.5%	4,734
1986	20,000	7.5%	1,500	7,286	7.5%	546	29,404	7.5%	2,205
1987	20,000	7.5%	1,500	1,197	7.5%	90	15,641	7.5%	1,173
1988	20,000	7.5%	1,500	-	-	-	14,878	7.5%	1,116
1989	20,000	7.5%	1,500	-	-	-	13,798	7.5%	1,035
1990	20,000	7.5%	1,500	-	-	-	12,626	7.5%	947
1991	20,000	7.0%	1,400	-	-	-	11,288	7.0%	790
1992	20,000	7.0%	1,400	-	-	-	9,710	7.0%	680
1993	20,000	7.0%	1,400	-	-	-	7,980	7.0%	559
1994	20,000	7.0%	1,400	-	-	-	6,082	7.0%	426
1995	20,000	7.0%	1,400	-	-	-	3,998	7.0%	280
1996	20,000	7.0%	1,400	-	-	-	3,953	7.0%	277
1997	20,000	7.0%	1,400	-	-	-	6,089	7.0%	426
1998	20,000	7.0%	1,400	-	-	-	9,968	7.0%	698
1999	20,000	7.0%	1,400	-	-	-	15,739	7.0%	1,102
2000	20,000	7.0%	1,400	-	-	-	21,904	7.0%	1,533
2001	20,000	7.0%	1,400	-	-	-	28,488	6.5%	1,852
2002	20,000	7.0%	1,400	-	-	-	39,545	6.5%	2,570
2003	20,000	7.0%	1,400	-	-	-	56,860	6.5%	3,696
2004	20,000	7.0%	1,400	-	-	-	78,035	6.5%	5,072
2005	20,000	7.0%	1,400	-	-	-	101,983	6.5%	8,029

\*Based on budget level "B"

TABLE 3  
 FEDERAL AID (PE, R/W, BR & \$21 MILLION THRU FY 1983;  
 MAXIMUM PRIMARY & BR STARTING IN FY 1984)

Fiscal Year	Project Payouts (\$1,000)	Uncollected on PE & RW (\$1,000)	Federal-Aid Project Payouts (\$1,000)	Total (\$1,000)	Net Project Payouts (\$1,000)
Freeway Construction Fund					
1983	39,795*	3,535	12,153	15,688	24,107*
1984	53,074*	3,534	14,748	18,282	34,792*
1985	45,161	0	6,807	6,807	38,344
1986	10,724	0	1,939	1,939	8,785
1987	4,984	0	1,590	1,590	3,394
Totals	153,728	7,069	37,237	44,306	109,422
State Freeway Fund					
1983	2,355	0	1,513	1,513	842
1984	3,972	0	3,060	3,060	912
1985	2,511	0	1,894	1,894	617
1986	101	0	76	76	25
1987	1,915	0	1,436	1,436	479
Totals	10,854	0	7,979	7,979	2,875
Grand Totals	164,582	7,069	45,216	52,285	112,297

\*Corrected by shifting \$302,000 from FY 1983 to FY 1984



Table 4

FREEWAY CONSTRUCTION FUND  
CASH TRANSACTIONS

	Beginning Balance (Table 1)	Net Project Payouts (Table 3)	Ending Balance
FY 1983	\$109,422	\$24,107	\$83,315
FY 1984	83,315	34,792	50,523
FY 1985	50,523	38,344	12,179
FY 1986	12,179	8,785	3,394
FY 1987	3,394	3,394	--

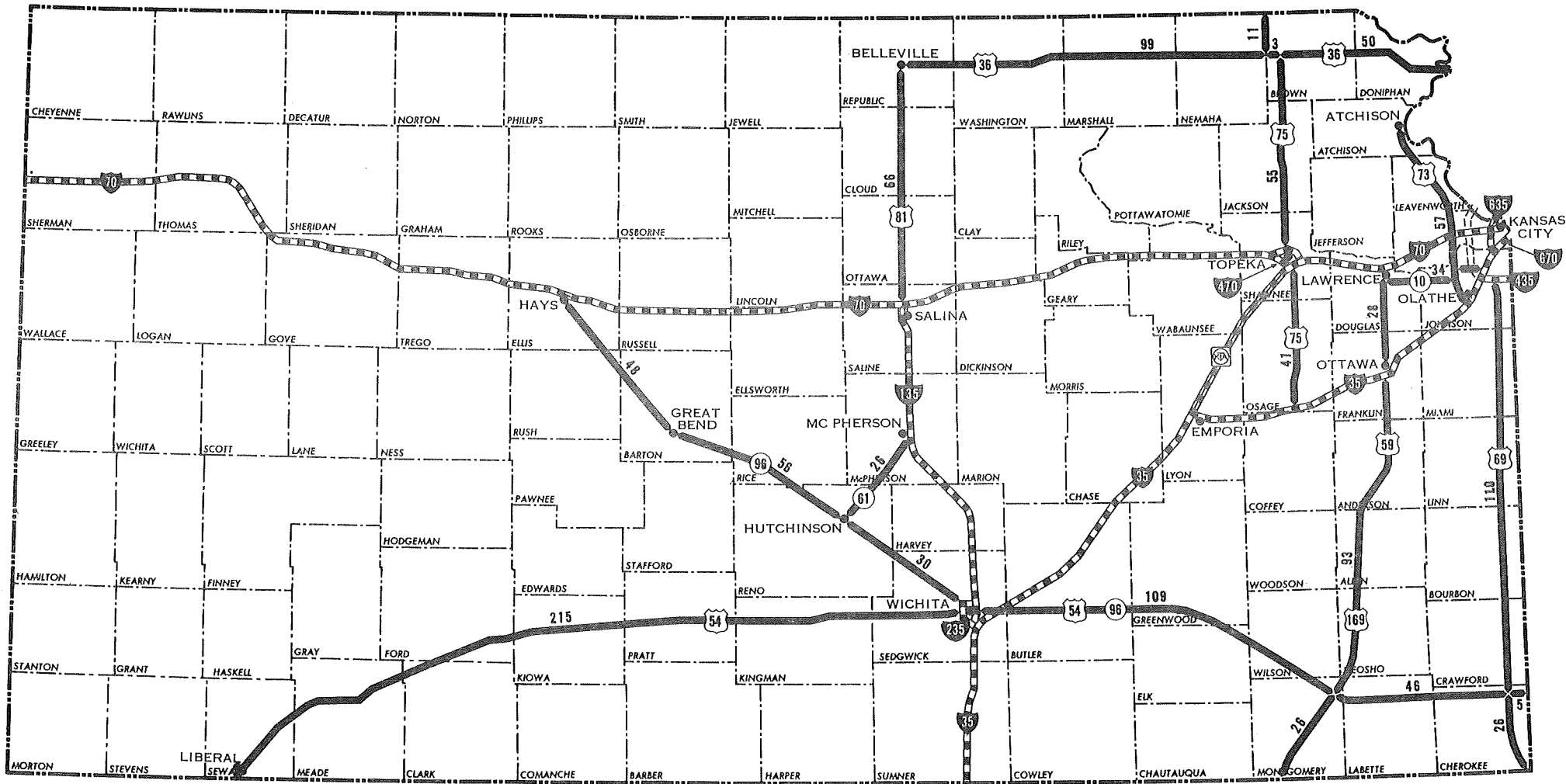
TABLE 5  
 FREEWAY FUND CASH TRANSACTIONS  
 (Thousands of Dollars)

Fiscal Year	Revenues		Expenditures						Ending Balance
	Beginning Balance (Table 1)	Investment Earnings (Table 2)	Motor Fuel Receipts	Debt Service	Financial Costs	Net Project Payouts (Table 3)	Maintenance Costs	Highway Fund Transfer	
1983	121,551	22,409	17,399	21,163	150	842	6,707	-	132,497
1984	132,497	17,443	17,513	21,165	150	912	6,795	50,000	88,431
1985	88,431	8,648	17,513	21,157	150	617	7,135	40,000	45,533
1986	45,533	4,251	15,713	21,151	150	25	7,492	20,000	18,479
1987	18,479	2,763	17,513	21,151	150	479	-	-	16,975
1988	16,975	2,616	17,513	21,133	75	-	-	-	15,896
1989	15,896	2,535	17,513	21,134	75	-	-	-	14,735
1990	14,735	2,447	17,513	21,157	75	-	-	-	13,463
1991	13,463	2,190	17,513	21,188	75	-	-	-	11,903
1992	11,903	2,080	17,513	21,225	75	-	-	-	10,196
1993	10,196	1,959	17,513	21,270	75	-	-	-	8,323
1994	8,323	1,826	17,513	21,321	75	-	-	-	6,266
1995	6,266	1,680	17,513	21,375	75	-	-	-	4,009
1996	4,009	1,677	17,513	16,950	75	-	-	-	6,174
1997	6,174	1,826	17,513	17,009	75	-	-	-	8,429
1998	8,429	2,098	17,513	13,760	75	-	-	-	14,205
1999	14,205	2,502	17,513	13,771	75	-	-	-	20,374
2000	20,374	2,933	17,513	13,779	75	-	-	-	26,966
2001	26,966	3,252	17,513	13,795	75	-	-	-	33,861
2002	33,861	3,970	17,513	5,470	75	-	-	-	49,799
2003	49,799	5,096	17,513	2,717	75	-	-	-	69,616
2004	69,616	6,472	17,513	-	75	-	-	-	93,526






# KANSAS

STATE SYSTEM OF EXPRESS HIGHWAYS AND FREEWAYS  
AS ESTABLISHED AND DESCRIBED BY K. S. A. 68-2301



- Corridor No. 1 Kansas-Oklahoma line southwest of Liberal east to Kansas-Missouri border. 375 Miles
  - Corridor No. 2 Hays southeasterly to Wichita. 134 Miles
  - Corridor No. 3 Hutchinson Northeasterly to McPherson. 26 Miles.
  - Corridor No. 4 US-75 at the Kansas-Nebraska border southerly to Interstate highway 35. 107 Miles.
  - Corridor No. 5 US 36 at the Kansas-Missouri border westerly to intersection of US-36 and US-81, then southerly to Interstate highway 70. 218 Miles.
  - Corridor No. 6 Atchison southerly to Olathe. 57 Miles.
  - Corridor No. 7 The intersection of US-69 and interstate 435 southerly to the Kansas-Oklahoma border. 136 Miles.
  - Corridor No. 8 Lawrence southerly to the Kansas-Oklahoma border. 147 Miles.
  - Corridor No. 9 Lawrence easterly to intersection of highway US-50, US-56 and interstate 35. 34 Miles.
- Total Miles of express and freeway highways 1234.

## LEGEND

-  26 MILES EXPRESS HIGHWAY AND FREEWAY SYSTEM
-  INTERSTATE SYSTEM
-  TURNPIKE

ANNUAL REPORT OF THE STATUS OF THE STATE SYSTEM OF EXPRESS HIGHWAYS AND FREEWAYS

“(3) the proposed allocation and expenditure of moneys in the state freeway fund during the current and ensuing fiscal years;”

Projects Programmed for Fiscal Year 1983

Corridor	Route	County	Section Description	Length (Miles)	Type of Project	Estimated Cost* (\$1,000)	Letting Date
1(1)	US-54	FO	CA-FO Co. Line, east to east C.L. of Bucklin (3R)	18.1	Overlay	717	
1(1)	US-54	KW	FO-KW Co. Line, east to east C.L. of Greensburg (3R)	15.7	Overlay	657	
1(2)	US-54	BU	1.0 mi. east of Jct. US-77 in Augusta, east to 0.4 mi. east of Jct. K-96	7.6	Gr. Br.	8,093	8-19-82
5	US-36	DP	1.6 mi. southeast of Wathena, east to 0.7 mi. west of the Missouri River Bridge (Stage I)	2.4	Gr. Br. Su.	6,372	9-16-82
5	US-36	DP	Southeast City Limit of Wathena, southeast 1.6 mi.	1.6	Gr. Br. Su.	4,303	9-16-82
5(1)	US-36	DP	Southeast edge of Wathena	-	RR Prot.	95	11-12-82
6	K-7	JO	0.5 mi. north of North Jct. K-10, north to south end of the Kansas River bridge	2.6	Gr. Br.	2,630	10-21-82
6	K-7	WY	Kansas River bridge, south of Bonner Springs	0.4	Br. Substr.	3,681	9-16-82
6	K-7	WY	North end of Kansas River Bridge, north to Kansas Turnpike	2.8	Gr.Br.Su.Sg.Lt.	12,985	
7(3)	US-69	BB	North Jct. US-54 at Fort Scott, north to BB-LN Co. Line (State I)	-	Brs.	715	
7	US-69	LN	BB-LN Co. Line, north to 0.7 mi. north of Jct. K-239 (Stage I)	-	Brs.	620	
8(4)	US-169	NO	South of Earlton, north to Jct. K-39 near Chanute (6.2 miles of 2-lane, 2.0 mi. of 4-Lane)	8.2	Gr. Br.	6,904	7-29-82
				-	Brs.	1,358	11-18-82
				-	Brs.	575	
8(4)	US-169	NO	Jct. K-39 near Chanute, north to NO-AL Co. Line	3.5	Gr. Br.	4,421	7-29-82
				-	Brs.	1,060	
8	US-169	NO	Neosho River bridge at the NO-AL Co. Line	-	Bridge	2,241	11-18-82
8(4)	US-169	AL	NO-AL Co. Line, north to 1.9 miles South of FAS 2 Southeast of Humboldt	5.2	Gr. Br.	4,360	11-18-82
				-	Brs.	1,250	
8(1)	US-59	FR	In Ottawa, AT & SR RR Br end approaches (3R)	0.7	Gr.Br.Su.	2,317	12-16-82
ALL	ALL	ALL	Preliminary Engineering for Traffic Analysis	-	PE	5	
Total FY 1983						65,359	
<p>(1) This project has been added to the program since last year's report</p> <p>(2) Part of the bridges on this project have been delayed until FY 1984 since last year's report.</p> <p>(3) Part of the bridges on this project were let in FY 1982 instead of FY 1983 as listed in last year's report.</p> <p>(4) In Section (3) of last year's report, this project was included in the FY 1982 listing.</p>							

\*Includes Preliminary Engineering, Right-of-Way and Construction Engineering

# ANNUAL REPORT OF THE STATUS OF THE STATE SYSTEM OF EXPRESS HIGHWAYS AND FREEWAYS

“(3) the proposed allocation and expenditure of moneys in the state freeway fund during the current and ensuing fiscal years;”

## Projects Programmed for Fiscal Year 1984

Corridor	Route	County	Section Description	Length (Miles)	Type of Project	Estimated Cost* (\$1,000)	Letting Date
1(1)	US-54	86	1.0 mi. east of Jct. US-77 in Augusta, east to 0.4 mi. east of K-96	-	Br.	2,450	
1	US-54	BU	1.0 mi. east of Jct. US-77 in Augusta, east to 0.4 mi. east of Jct. K-96	7.6	Su. Sg.	8,730	
1	K-96	BU	0.4 mi. east of Jct. K-96, east 1.8 mi. on existing K-96	1.8	Gr. Su.	660	
5	US-36	DP	Missouri River Crossing at Elwood (Kansas portion demolition and removal of existing bridge)	0.3	Br. Demol.	235	
5(2)	US-36	DP	East edge of Troy, east and south to the southeast city limit of Wathena	8.8	Overlay & shldrs.	2,770	
5(3)	US-81	OT	Jct. K-41, North to OT-CD Co. Line (3R)	2.0	Overlay	453	
5(3)	US-81	CD	OT-CD Co. Line, north to Jct. US-24 (3R)	4.0	Overlay	906	
6(2)	K-7	JO	New South Jct. K-10, north to 0.5 mi. north of North Jct. K-10	5.2	Su.Sg.Lt.	8,040	
6	K-7	JO	0.5 mi. north of North Jct. K-10, north to south end of Kansas River bridge	2.6	Su.Sg.Lt.	4,190	
6	K-7	WY	Kansas River Bridge, south of Bonner Springs	0.4	Br. Superstr.	6,285	
6(3)	US-73	LV	Leavenworth, NW to LV-AT Co. Line (3R)	11.7	Overlay	523	
6(3)	US-73	AT	LV-AT Co. Line, north 3.7 mi (3R)	3.3	Overlay	148	
6(3)	US-73	AT	Atchison south (3R)	6.0	Overlay	143	
7(2)	US-69	BB	North Jct. US-54 at Fort Scott, north to BB-LN Co. Line (Stage I)	13.1	Su. Sg.	8,640	
7(2)	US-69	LN	BB-LN Co. Line, north to 0.7 mi. north of Jct. K-239 (Stage I)	2.7	Su. Sg.	1,670	
8	US-169	NO	South of Earleton, north to Jct. K-39 near Chanute (6.2 mi. of 2-lane, 2.0 mi. of 4-lane)	8.2	Su. Sg.	6,170	
8	US-169	NO	Jct. K-39 near Chanute, north to NO-AL Co. Line	3.5	Su. Sg.	2,765	
8	US-169	AL	NO-AL Co. Line, north to 1.9 mi. south of FAS 2, southeast of Humboldt	5.2	Su. Sg.	3,745	
ALL	ALL	ALL	Preliminary Engineering for Traffic Analysis	-	PE	5	
<b>Total FY 1984</b>						<b>58,528</b>	
<p>(1) In Section (3) of last year's report, these bridges were included in a Gr. Br. project in the 1983 listing.</p> <p>(2) In Section (3) of last year's report, this project was included in the FY 1983 listing.</p> <p>(3) This project has been added to the program since last year's report.</p>							

\*Includes Preliminary Engineering, Right-of-Way and Construction Engineering

# ANNUAL REPORT OF THE STATUS OF THE STATE SYSTEM OF EXPRESS HIGHWAYS AND FREEWAYS

*“(3) the proposed allocation and expenditure of moneys in the state freeway fund during the current and ensuing fiscal years;”*

## Projects Programmed for Fiscal Year 1985

Corridor	Route	County	Section Description	Length (Miles)	Type of Project	Estimated Cost* (\$1,000)	Letting Date
1 ALL	US-54 ALL	SG ALL	In Wichita, From I-235, east to K-42 (Including West St. Interchange) Preliminary Engineering for Traffic Analysis  Total FY 1985	1.5 -	Gr.Br.Su.Sg.Lt. PE	10,280 1 <hr/> 10,281	

\*Includes Preliminary Engineering, Right-of-Way and Construction Engineering

**ANNUAL REPORT OF THE STATUS OF THE STATE SYSTEM OF EXPRESS HIGHWAYS AND FREEWAYS**

*“(3) the proposed allocation and expenditure of moneys in the state freeway fund during the current and ensuing fiscal years;”*

**Projects Programmed for Fiscal Year 1986**

Corridor	Route	County	Section Description	Length (Miles)	Type of Project	Estimated Cost* (\$1,000)	Letting Date
5(1)	US-36	MS	From end of 4-L, East 7.0 mi. except thru Marysville (3R)	7.0	Overlay	2,021	
6	K-7	WY	Existing Kansas River Bridge, south of Bonner Springs	-	Br. widen & rp.	4,930	
ALL	ALL	ALL	Preliminary Engineering for Traffic Analysis	-	PE	<u>1</u>	
			<b>Total FY 1986</b>			<b>6,952</b>	
			(1) This project has been added to the program since last year's report.				

\*Includes Preliminary Engineering, Right-of-Way and Construction Engineering



SENATE BILL NO. \_\_\_\_\_

AN ACT concerning valuation of certain public utility property; construction work in process; amending K.S.A. 66-128 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 66-128 is hereby amended to read as follows: 66-128. Said commission shall have the power and it shall be its duty to ascertain the reasonable value of all property of any common carrier or public utility governed by the provisions of this act used or required to be used in its services to the public within the state of Kansas, whenever it deems the ascertainment of such value necessary in order to enable the commission to fix fair and reasonable rates, joint rates, tolls and charges, and in making such valuations they may avail themselves of any reports, records or other things available to them in the office of any national, state or municipal officer or board. For the purposes of this act, the value of property of any public utility which is under construction and has not been completed and dedicated to commercial service shall not be deemed to be used or required to be used in said public utility's service to the public, except that any property of a public utility, the construction of which will be completed in one (1) year or less, may be deemed to be completed and dedicated to commercial service but which, upon completion and dedication to commercial service, will be used or required to be used in such utility's service to the public shall be included in the commission's valuation of property in fixing fair and reasonable rates, joint rates, tolls and charges, to the extent that the value of such property under construction exceeds 10% of the value of the utility's net plant used or required to

be used in such utility's service to the public, or if the property under construction will be completed in one year or less such value shall be included to its full extent, in either case on the condition that the commission has approved, or issued a certificate pursuant to K.S.A. 66-131 authorizing, such construction or acquisition of such property under construction.

Sec. 2. K.S.A. 66-128 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.