

MINUTES OF THE House COMMITTEE ON Transportation

The meeting was called to order by Rex Crowell at
Chairperson

1:30 ~~xxx~~/p.m. on February 12, 1987 in room 519-S of the Capitol.

All members were present except: Representative Gross

Committee staff present:

Bruce Kinzie, Revisor of Statutes
Hank Avila, Legislative Research
Donna Mulligan, Committee Secretary

Conferees appearing before the committee:

Representative Jo Ann Pottorff
Mr. Ralph Turner, Lawrence, Kansas
Dr. Ronald Harper, Kansas Department on Aging
Ms. Yo Bestgen, Kansas Association of Rehabilitation Facilities
Mr. Floyd Pope, American Association of Retired Persons
Mr. Kent Hall, Kansas Public Transit Association
Ms. Carol L. Ketcherside, Intracity Transit Authority
Mr. Russel Waesche, Kansas Public Transit Association
Mr. Ray Petty, Kansas Department of Human Resources
Mr. Robert D. Hayes, Kansas Insurance Department
Mr. Basil Covey, Kansas Retired Teachers Association
Mr. Ed DeSoignie, Kansas Department of Transportation
Mr. Mike Swartz, Southeast Kansas Community Action Program

Chairman Crowell called the meeting to order and the first order of business was a hearing on HB-2163 enacting the Kansas Elderly and Handicapped Transportation Act.

Representative Jo Ann Pottorff, sponsor of the bill, briefed the Committee and said the federal funding has helped support programs in both rural and urban settings in the past but now federal funds are being cut back. She said for this reason, she believes it is in the interest of all Kansans to provide state assistance for public transportation of the elderly and handicapped. (See Attachment 1)

Mr. Ralph Turner, Lawrence, Kansas, testified in favor of HB-2163. (See Attachment 2) Mr. Turner pointed out that there is a need in the state of Kansas for state support of public transportation for elderly and handicapped citizens. He said many senior citizens and handicapped persons are forced into institutions because adequate services such as transportation, are not available.

Dr. Ronald Harper, Kansas Department of Aging, spoke in support of HB-2163. (See Attachment 3)

Ms. Yo Bestgen, Kansas Association of Rehabilitation Facilities, testified favorably concerning HB-2163. (See Attachment 4)

She stated that transportation is critical to Kansas citizens who are elderly and handicapped as it allows them access to community living opportunities such as recreation and leisure, shopping, medical facilities, church and social activities as well as employment.

Ms. Bestgen reported KDOT funding for operating costs has digressed from a 50/50 federal and local match to a 40/60 match, and KDOT has predicted that the federal support will be reduced by an additional 10 percent each year until the local support is 100 percent.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Transportation,
room 519-S, Statehouse, at 1:30 ~~xxx~~/p.m. on February 12, 1987

She also said KDOT funding for capital expenditures has digressed from an 80/20 federal and local match to a proposed 60/40 ratio for FY-1987.

Mr. Floyd Pope, American Association of Retired Persons, testified in support of HB-2163. (See Attachment 5)

Mr. Pope said many senior citizens and handicapped individuals are forced into institutions because adequate services, such as transportation, are not available. He added that transportation services can make a big difference in the ability of older citizens and the handicapped to maintain an independent existence.

Mr. Kent Hall, Kansas Public Transit Association, commented in favor of HB-2163. (See Attachment 6)

Ms. Carol L. Ketcherside, Intracity Transit Authority, testified in support of HB-2163. (See Attachment 7)

She said that the Intracity Transit Authority is an independent governing agency and is not a department of the city of Topeka. Ms. Ketcherside reported TMTA owns 32 buses which are operated in a fixed route public transportation system, as well as four "lift" equipped buses which are operated in a demand responsive service for the elderly and handicapped.

She stated the TMTA has an annual operating budget of approximately \$2 million, and to fund that budget approximately \$630,000 is received from the fare box. She also stated half of that deficit is funded through the Federal Urban Mass Transportation Administration, and the remaining half is funded by local money.

Representative Snowbarger asked what percentage of ridership consist of elderly and handicapped persons. Ms. Ketcherside said about 10 percent of persons riding buses are elderly and handicapped.

Mr. Russel Waesche, Kansas Public Transit Association, testified in support of HB-2163.

Mr. Ray Petty, Kansas Department of Human Resources, spoke favorably concerning HB-2163. (See Attachment 8)

Mr. Petty said that according to the 1980 census, a total of 17,812 persons between the ages of 16 and 64, reported a transportation handicap; and among persons age 65 and over, 33,094 report such a handicap. Mr. Petty said improving transportation is a key ingredient to promote employment for these persons.

Mr. Basil Covey, Kansas Retired Teachers Association, testified in favor of HB-2163. (See Attachment 9)

Mr. Ed DeSoignie, Kansas Department of Transportation, testified concerning HB-2163 and said KDOT has concerns with the possible policy and budgetary implications of the bill, and therefore adopts a neutral position. (See Attachment 10)

Mr. Mike Swartz, Southeast Kansas Community Action Program, gave testimony in support of HB-2163.

The hearing on HB-2163 ended.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Transportation,
room 519-S, Statehouse, at 1:30 ~~xxx~~ p.m. on February 12, 1987


Chairman Crowell announced the appointment of a subcommittee consisting of Representative Moomaw, Chairman, and Representatives Sallee and Russell to study HB-2163 paying specific attention to the fiscal note, funding, method of distribution, implementation procedures if passed, and administration procedures.

Attention was turned to HB-2026 concerning bonding requirements for vehicle dealers and vehicle brokers.

Mr. Robert D. Hayes, Kansas Insurance Department, presented to the Committee information which was requested January 20, 1987, at the hearing on HB-2026. (See Attachment 11)

Mr. Hayes said that surety bonds would be readily available to dealers at a rate of \$10 per \$1,000 of the required bond, and a few companies indicated the cost of the bond may be lower for new car dealers.

The meeting was adjourned at 3:05 p.m.


Rex Crowell, Chairman

PLEASE PRINT

NAME	ADDRESS	COMPANY/ORGANIZATION
Beba Caldwell Litman	308 Highland Avenue ^{Kan}	Selma Hard Segalator
Anna Mae Shaffer	Route 4 Marysville	NEKAAA
Marvella Markley	Chanute, Ks.	SEK-AAA Chanute
Ruthella McBride	Chanute, Ks	SEK-AAA
Mark Intermill	TOPEKA	Kansas Coalition on Aging
BOB HAYES	TOPEKA	KS INS. DEPT.
Helen Larson	Pittsburg	
Virginia Wilkist	✓	L W V
Nehi K. Mammal	Topeka	Rep Wash. (Intern)
MIKE W. SWARTZ	110 N CLARK GIBBARD KS	SEK-CAP INC.
JAMES M. BARON	EMERSON	TWETA.
Kent Hall	201 N. Kansas	Kansas Public ^{Transit} Assoc.
Carol Kitchenside	201 N. Kansas	Top. Metro Transit Auth.
Russell Waeche	" " "	Kansas Public ^{Transit} Assoc.
Ralph Jumm	5-308 Windsor ^{Lamp}	KS Selma Hard Segalator
Bill Miller	Topeka	KDOT.
Ed De Saignie	"	"
Ray Petty	KACEH / DHR Topeka	KACEH / DHR
Bill Green	TOPEKA	KCC
Ronald L Harper	Acting Sec. Kansas Public Aging	Topeka

TESTIMONY ON HOUSE BILL 2163

HOUSE TRANSPORTATION COMMITTEE

February 12, 1987

Thank you Mr. Chairman and members of the committee. My name is Jo Ann Pottorff and I am here to testify on HB 2163, the Kansas Elderly and Handicapped Transportation Assistance program.

One of my constituents, Floyd Pope, brought to my attention that the Silver Haired Legislature had as one of its proposals, the Kansas Elderly and Handicapped Transportation Assistance program. In checking further I found the Kansas Retired Teachers Association also was supporting legislation for the transportation assistance program. Mr. Chairman, I am happy to sponsor HB 2163 because I believe there is a need in the State of Kansas for state support of public transportation for these two important groups of citizens - the elderly and handicapped citizens. Transportation service can make a big difference in the ability of these two groups of citizens to maintain independent existence outside of institutional settings.

Federal funding has helped support programs in both rural and urban settings in the past but federal funds are being cut back. To assist the elderly and handicapped, another source of financial assistance must be found.

Our sister state, Missouri, has provided state funds appropriated from General Revenue to the Missouri Department of Highways and Transportation for the Elderly and Handicapped Transportation Assistance program. In fiscal year 1987, those funds will total just over \$1 million. These funds are used to supplement federal, local and private funds used in transportation service for the elderly and handicapped.

In Nebraska, \$1 million in state gasoline tax has been

Attach. 1

Testimony on HB 2163
Page 2

appropriated for assistance to urban and rural transportation systems.

Beginning with the fiscal year 1986, the Iowa Legislature has appropriated 1/40th of all taxes collected on automobile and automobile accessories for state assistance. It is anticipated the total revenue from this source will be between \$2.2 and \$2.5 million.

Forty states have passed legislation to financially assist public transportation including such Midwest states as Nebraska, Iowa, Colorado and Oklahoma.

I feel it is in the interest of all Kansans to provide state assistance for public transportation of the elderly and the handicapped.

Thank you,

Jo Ann Pottorff

Ralph Turner

S-308 Windsor Place
Lawrence, Kansas 66044
(913) 843-5874
February 12, 1987

Before the Transportation Committee - House of Representatives. House Bill 2163. Kansas Elderly and Handicapped Transportation Act.

Members of the Committee - I am Ralph Turner, Delegate from Douglas County to the Kansas Silver Haired Legislature, I am Chairman of the Transportation and Insurance Committee of the Silver Haired Legislature. I am also a member of the Kansas Coalition on Aging and I am currently the Chairman of the Jayhawk Area Agency on Aging Board of Directors.

The Silver Haired Legislature passed a bill known as the Kansas Elderly and Handicapped Transportation Act in November 1986. Vote on the bill was Yes-112, No-6. The bill is the same as H.B. 2163 except for minor changes.

During the course of the Committee hearing, evidence was presented that I feel points up the need for transportation. The Kansas Public Transit Association stated the following:

"There is a need in the State of Kansas for state support of public transportation for elderly and handicapped citizens. Many senior citizens and handicapped individuals are forced into institutions because adequate services such as transportation, are not available. Transportation services can make a big difference in the ability of older citizens and the handicapped to maintain an independent existence outside of institutional settings. In the long run, it is more economical to provide transportation services to those individuals, which would allow them to live outside institutional settings, than to have to care for them in institutions." (A recent article in The U.S. News and World Report stated, "Nursing home bills average \$22,000.00 a year") "Inadequate local resources, reduced federal funding and a lack of state assistance for public transportation poses a substantial threat to the mobility of these individuals.

Ralph Turner
February 12, 1987

The Kansas Coalition on Aging also supported the bill and made the following statement:

"The Kansas Coalition on Aging recognizes the need for transportation services for the elderly and handicapped. These services allow persons who have voluntarily given up their license or who are unable to obtain a license to drive, the opportunity to participate in the activities that many of us take for granted." The Coalition went on to say, "Transportation systems for the elderly do exist in Kansas. Section 16 (b) 2 of the Urban Mass Transit Act and Title III of the Older Americans Act have been utilized to purchase needed vans and busses. These sources of funds cannot adequately finance the ongoing operating expenses of a transportation system."

During the Silver Haired Legislature's Committee's deliberation many letters were received from senior citizens throughout the Western part of the state stating their dire need for transportation, in that they either did not have an automobile or were not able to operate a vehicle. Obtaining basic necessities such as food, clothing or health care, become extremely difficult without the ability to transport oneself to where these items are available. The Trailways situation has not as yet been finally settled.

It must be kept in mind that the number of senior citizens in Kansas is high and will constantly increase. 431,000 persons in Kansas are over the age of 60. They make up 24.2 percent of the voting age population in our state. In the state of Kansas 323,000 person are over the age of 65. This is 13.3 percent of the total population and represents a 5.6 percent increase from 1980 to 1984. 14.2 percent of these people are below the poverty level.

Having served on the board of directors of the Douglas County Council on Aging, I am well aware of the problems connected with transportation. Lawrence/Douglas County have no public transportation system, therefore, the only transportation available to the senior citizens is by buses obtained through Urban Transit and Older Americans Act. Also, I am well aware that this type or public transportation for that matter, is not cheap, it costs money.

Ralph Turner
February 12, 1987

I am also aware of the economic condition of the State of Kansas, regardless, we of the Silver Haired Legislature and Agencies concerned with the problems of the senior citizens of this state have a responsibility to call the problem to the attention of the Kansas Legislature and to the Governor.

THANK YOU.

TESTIMONY ON H.B. NO. 2163
TO
HOUSE TRANSPORTATION COMMITTEE
BY
KANSAS DEPARTMENT ON AGING

Bill Summary:

An Act enacting the Kansas elderly and handicapped transportation act.

Bill Brief:

Authorizes state funding of transportation services for elderly and handicapped Kansans.

Establishes a transportation assistance fund for the development, improvement and maintenance of transportation systems for elderly or handicapped persons.

Includes all public and private nonprofit transportation providers.

Delegates authority to the Kansas Department of Transportation to dispense funds.

Testimony

Transportation is commonly unavailable to older Kansans. The Kansas Department on Aging with the Department of Health and Environment and the Department of Social and Rehabilitation Services last year assessed the need for transportation as a part of the HCR 5052 study of long term care. Each member of this committee received a copy of this assessment last month.

The 5052 study found that unavailability of service is the most common reason that requests for help are unfilled; and the reason services are unavailable is the lack of funding. Transportation is one of the services which is often unavailable.

One area social service office reported, "Transportation has always been and continues to be, an unmet need." Three other area social service offices and six home health agencies/local health departments listed transportation as an unavailable service.

Here are examples of the need for transportation:

- o The Chautauqua County Health Department reported a "need for suitable vehicle for travel on undeveloped roads."
- o Citizens Medical Center in Colby reported, "All towns have a senior bus but they only run in afternoons, or 2-3 days per week, and some seniors feel that certain groups control who has access to the buses."

- o The Topeka-Shawnee County Health Department explained, "Most transportation providers transport only persons able to get in and out of vehicles and offices independently."

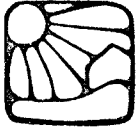
The need for transportation services in Kansas was corroborated by a survey at the 1986 Governor's Conference on Aging. Delegates to the conference ranked transportation third as the most unmet need for Older Kansans.

The Kansas State Advisory Council on Aging has chosen transportation as one of its three legislative priorities for 1987. The Kansas Department on Aging and its Advisory Council recognize the need for state funding of transportation.

Recommended Action:

The Kansas Department on Aging recommends passage of H. B. 2163.

LD:mj
2/10/87



Kansas Association of Rehabilitation Facilities

Jayhawk Tower • 700 Jackson • Suite 802
Topeka, Kansas 66601 • 913-235-5103

TO: House Transportation Committee

FROM: Kansas Association of Rehabilitation Facilities

RE: HB 2163 - An act enacting the Kansas elderly and
handicapped transportation act.

Date: February 12, 1987

1.0 Position Statement

- 1.1 KARF supports the concept of HB 2163 which establishes the Kansas elderly and handicapped transportation assistance act.
- 1.2 The amount of funding support and the method of implementing HB 2163 is unclear.

2.0 Justification

- 2.1 Transportation is critical to Kansas citizens who are elderly and handicapped as it allows them access to community living opportunities such as recreation and leisure, shopping, medical facilities, church and social activities and employment.
- 2.2 Reduction in funding for transportation costs have impacted community based facilities who serve the mentally retarded, developmentally delayed and physically disabled.

- KDOT funding for operating costs, has digressed from a 50/50 federal and state match to a 40/60 match. KDOT has predicted that the federal support will be reduced by an additional 10% each year until the local support is 100% and the federal is 0%.

- KDOT funding for capital expenditures has digressed from an 80/20 federal and state match to a proposed 60/40 ratio for FY 87.

- Federal funds for transportation have not increased and were adversely affected by the Graham-Ruddman-Hollings Act, while the need for this vital service has expanded.

Attach. 4.

2.3 Community based facilities serving the MR/DD have felt an array of negative fiscal reductions:

- County valuation is down.
- Federal support for transportation is on a steady decline.
- Heavy competition for charitable contributions.
- No increase in the State Aid Formula for MR facilities for two years.
- Alternate State and Federal funding sources are threatened with reduction.

2.4 The State of Kansas has continued to rely on shrinking federal dollars for support of transportation for the elderly and handicapped and must look at other alternatives.

2.5 The elderly and handicapped have fixed and/or limited income and ability to purchase and access alternate means of transportation.

2.6 Rural communities have no alternate options to meet the transportation needs.

2.7 The current KDOT programs generate a cooperative effort for non-duplication of transportation services and have been cost effective.



1986-1987
KANSAS STATE LEGISLATIVE COMMITTEE

CHAIRMAN
Mr. James V. Behan
P.O. Box 339
Salanta, KS 67870
(316) 649-2960

VICE CHAIRMAN
Mr. Frank H. Lawler
9404 Wenonga Road
Leawood, KS 66206
(913) 648-0013

SECRETARY
Mr. Oscar M. Haugh
1512 University Drive
Lawrence, KS 66044
(913) 843-7613

Position of AARP
on State Assistance For
Elderly and Handicapped Transportation

There is a need in the State of Kansas for state support of public transportation for elderly and handicapped citizens. Many senior citizens and handicapped individuals are forced into institutions because adequate services, such as transportation, is not available. Transportation services can make a big difference in the ability of older citizens and the handicapped to maintain an independent existence outside of institutional settings. In the long run, it is more economical to provide transportation services to these individuals which would allow them to live outside of institutional settings than to have to care for them in institutions. Inadequate local resources, reduced federal funding, and a lack of state assistance for public transportation poses a substantial threat to the mobility of these individuals.

Many bus and van programs operate across Kansas in both rural and urban settings and provide needed transportation for elderly and handicapped Kansans. Federal funding has helped support these programs in the past but the federal funds are being cut back. State and local governments are being asked to increase their share of the costs for these vital services. There are over 100 city and county programs which offer public transportation to the elderly and handicapped in rural Kansas. These programs are in dire financial straights and because of the lack of federal funds, are being required to increase the amount of local funds needed to continue their present services. Unfortunately, they do not have the resources to supply the needed additional money. To assist the elderly and handicapped, transit providers in Kansas must find another source of financial assistance.

Transit systems across the country, when faced with reduced federal funding, requested and received state assistance. Forty states passed legislation to financially assist public transportation including many predominantly rural states in the midwest such as Nebraska, Iowa, Colorado and Oklahoma.

POSITION OF
KANSAS PUBLIC TRANSIT ASSOCIATION
ON STATE ASSISTANCE FOR
ELDERLY AND HANDICAPPED TRANSPORTATION

There is a need for expanded low-cost transportation for both elderly and handicapped citizens. The U. S. Department of Health and Human Services has indicated that between 10 and 40% of the elderly residing in nursing homes are estimated to be capable of returning to the community if appropriate services are available. Transportation services can make a big difference in the ability of older citizens and the handicapped to maintain an independent existence outside of institutional settings. Inadequate federal funding poses a substantial threat to the mobility of these individuals.

Section 18 and 9 federal funding has resulted in bus and van programs which carry Kansans in locations throughout the state. Section 18 provides funding for public transportation in towns with a population of under 50,000. There are nearly 100 city or county recipients of Section 18 funding. Section 9 funds transportation in cities over 50,000. These include Topeka, K.C. & Wichita. Section 18 and 9 require that elderly and handicapped individuals are not excluded from these services. This federal money cannot be used if there is a lack of local matching dollars. Furthermore, Section 9 operators are subject to a fixed federal operating cap which is forcing them to either simply maintain general operations or even worse, reduce these operations. While transit properties are experiencing increases in costs and decreases in federal financial assistance, elderly and handicapped programs are lost in the shuffle. Services go down and fares go up. To assist the elderly and handicapped, transit properties in Kansas must find another source of financial assistance.

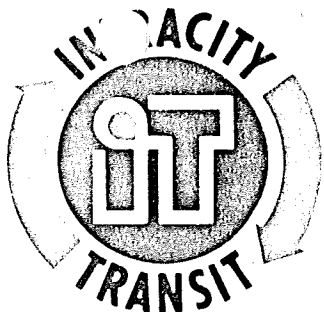
Transit Systems across the country when faced with reduced federal funding requested state assistance. 40 states passed legislation to financially assist public transportation. State aid to public transportation has become the rule rather than an exception.

Below is a list of states providing assistance:

Alabama	Maine	Oklahoma*
Arizona	Maryland	Oregon
Arkansas	Massachusetts	Pennsylvania
California	Michigan	Rhode Island
Colorado*	Minnesota	South Carolina
Connecticut	Mississippi	Tennessee
Deleware	Missouri*	Texas
Florida	Montana	Vermont
Georgia	Nebraska*	Virginia
Illinois	Nevada	Washington
Indiana	New Jersey	West Virginia
Iowa*	New York	Wisconsin
Kentucky	North Carolina	
Louisiana	Ohio	

*Rural States surrounding Kansas

The bill we are introducing to the Kansas Legislature will provide state financial assistance to nearly 100 city or county Transit properties enabling them to reduce fares paid by the elderly and handicapped and increase elderly and handicapped transportation services.



TOPEKA METROPOLITAN TRANSIT AUTHORITY

Administrative Offices / 201 North Kansas / Topeka, Kansas 66603 / Phone (913) 233-2011
Passenger Services Office / 8th and Kansas / Topeka, Kansas 66603 / Phone (913) 354-9571

February 12, 1987

Rex Crowell, Chairman
Kansas House Transportation Committee
State House, Rm 431N
Topeka, KS 66612

Dear Transportation Committee Members,

I would like to put into writing the comments that I made today at the hearing on House Bill No. 2163. In addition, I would like to clarify some of the discussion that was a result of questions asked by the committee. As a representative of the Topeka Metropolitan Transit Authority (TMTA), I would like to describe briefly in specific terms what the public transportation situation in Topeka is. This should be helpful to you, as the situation in Topeka is typical of many urban and rural systems across Kansas.

TMTA is an independent governing agency, and is not a department of the city of Topeka. TMTA board members are appointed by the mayor, however, our budget, revenues, funding sources, and management of daily operations are independent from city government. TMTA owns 32 buses which are operated in a fixed route public transportation system. A special half fare program for the elderly and handicapped is included as a part of this fixed route system. Over 10% of the passengers boarding our fixed route system are either elderly or handicapped.

TMTA also own 4 lift equipped buses which are operated in a demand responsive service (The Lift) for the elderly and handicapped. 100% of these riders are either elderly or handicapped.

TMTA has an annual operating budget of approximately \$2,000,000. To fund that budget, we receive approximately \$630,000 (32%) in cash from the fare box. We operate at a deficit of about 68%. Half of that deficit is funded through the Federal Urban Mass Transportation Administration (UMTA). The remaining half is funded by local money. Residents of Topeka pay a property tax of 2 mills which is dedicated to transit. As Federal transit subsidies are cut, the TMTA operating budget must be appropriately adjusted to compensate.

Attach. 7

TMTA also has capital needs. For example, this year, we are in need of 25 new buses. We have 25 buses that are 12 and 13 years old. Twelve years is considered the useful life of a bus. The mileage on these buses is well over 400,000 miles. It is very costly to our maintenance department to keep these buses on the road in safe and reliable operating condition. This year we have been able to obtain the funds to purchase 13 new buses. 80% of this purchase is funded through a grant from UMTA. The remaining 20% comes from local sources. It is uncertain at this point just how much Federal money will be available for the purchase of the additional 12 buses. I do not feel comfortable in saying, however, that we will be able to purchase more than 6 of the 12 needed buses.

State money can be mixed with federal and local money for projects such as this. Additionally, state money can be used as matching money for federal funds when they are available.

TMTA often receives requests for service from areas that are not presently served by our fixed route bus system. Some of these requests come from newly annexed areas of the city. Others come from areas that have been within the city limits for years, but that have never demonstrated enough demand to justify the provision of public transportation. However, in either case, it is very difficult, if not impossible for TMTA to extend service beyond its present boundaries. Anyone may avail himself of TMTA park and ride service by driving to one of our many lots. In this respect, some service is provided. In the past year, some of the least utilized existing bus service has been cut back in the city to keep the TMTA operating budget within the limits of available funds.

The TMTA Lift service, is demand responsive and is therefore more flexible in the areas that it is able to serve. The Lift began operation in 1976. At that time, the decision was made to provide Lift service to anyone living within the three mile limit of the city boundary. The county made an initial contribution toward the purchase of lift equipped buses. However, there is no participation by the county toward the continued support of Lift operations.

The elderly and handicapped in many areas unserved by the fixed route system are eligible to use the Lift. However, many of them could use the fixed route bus if it were available. The subsidy per passenger on the fixed route bus is about \$1.00, much less expensive than the \$4.50 per passenger subsidy associated with the Lift.

Charter service is also available to the area within the three mile limit. The charge for this service covers all operating expenses, but it does not cover capital expenses. Unless a fairly large group is traveling together, charter service is not economically efficient for most trips.

As has been previously explained, TMTA funds come from three different sources: fare box, Federal funds, and local funds. In order to extend service to new areas, one of three things must occur: 1. Corresponding increases in all three of these sources must be realized, 2. one source must

take a larger share of the burden, or 3. new sources must be found. Demand for new service must be quite substantial in order to generate the necessary fare box share. Local funds increase through either an increase in the tax rate or an increase in the tax base.

Federal operating funds have been significantly reduced in recent years. For the last three years operating funds have remained fixed at the same level. Capital funds have been decreased. Under the present climate of the Federal government, a continuation of this fixed level for operating funds is the best that we can hope for.

In summary, the picture I have drawn here is that costs and demand continue to rise, while funding remains the same or actually decreases. Although TMTA operates one of the larger public transportation systems in the state, the situation here is typical of many of Kansas' transit systems. The elderly and the handicapped sector of our population is the most vulnerable to the effects of a lack of good public transportation services.

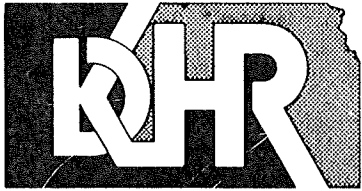
There are good existing public transit system serving most of the state. The people are experienced, and are often already aware of the unmet needs of their community. Increasing costs and reduced subsidies will force them to cut back or even discontinue their services. They certainly do not have the ability to expand to accommodate existing unmet needs. It is much more efficient to see that these services receive the assistance they need, before they are forced out of existence than it is to wait until after the fact, and have to start the systems over again from nothing.

Thank you for allowing me the opportunity to make these comments. If you have questions about any of this material, I will be happy to answer them. I can be reached at (913) 233-2011.

Sincerely,



Carol L. Ketcherside
Planning & Marketing Manager

ADVISORY COMMITTEE ON EMPLOYMENT
OF THE HANDICAPPED1430 S.W. Topeka Avenue, Topeka, Kansas 66612-1877
913-232-7828 (V/TDD) 567-0828 KANS-A-N

John Carlin, Governor

Larry E. Wolgast, Secretary

Testimony in support of House Bill No. 2163
regarding accessible transportation

presented to

House Transportation Committee

by Ray Petty, Legislative Liaison, KACEH

February 12, 1987

House Bill 2163 is titled the Kansas elderly and handicapped transportation act. The bill establishes an assistance fund to be used for the development, improvement and maintenance of transportation systems for elderly or handicapped persons. The lack of transportation is one of the most pressing problems facing disabled persons who are eager to enter the world of work. Without accessible transportation, many unemployed disabled persons throughout Kansas will be unable to secure and maintain employment. Certainly in moral terms, but also in economic terms, we cannot afford to waste these precious human resources.

And those human resources are considerable. According to the 1980 census, a total of 17,812 persons aged 16-64, or 1.2% of that population, report a transportation handicap. Among persons 65 and over, 33,094, or 11.7% of the senior citizens of Kansas, report such a handicap. Couple that with the fact that disabled working age residents of Kansas participate in the labor force at a 47.2% rate - over half are unemployed - and it becomes obvious that improving transportation is a key ingredient to promote employment for these persons. According a recent nationwide Harris poll: "Not working is perhaps the truest definition of what it means to be disabled in this country. No other demographic group under 65 of any size has such a small proportion working." The report goes on to say that "(t)wo thirds of all disabled Americans between age 16 and 64 are not working." 28% percent of these people said that a lack of accessible or affordable transportation is an important reason why they are not working. Nearly half (49%) of the 1,000 disabled people interviewed who have limited mobility reported that inability to use public transportation, or a lack of special transportation or someone to drive them is an important barrier to a full social life and full mobility for them.

In light of Kansas' recent thrust to promote economic development, and with these facts in mind, the time is right to implement public policy which promotes access to education and jobs for persons with transportation handicaps. In 1985, KACEH supported 1985 House Bill 2271, which had a purpose similar to House Bill 2163. We believe the bill before us today is a much better bill for the following reasons:

1. Criteria have been added to encourage the elimination of duplicative and inefficient administrative costs and transportation services. All public and private nonprofit providers which receive federal, state, or local funding and which request funds under this act would be compelled to cooperate and coordinate services.

2. Allocation of funds would be determined on the basis of the percentage of elderly and handicapped residents in the transportation system's service area.

You have before you today an opportunity to demonstrate that Kansas intends to include disabled and elderly transportation-handicapped persons in its push to promote economic development. The facts are clear - these persons are our most underutilized human resource, and lack of transportation is one of the primary reasons why. Either we decide to include them in our economy as wage earners and tax payers, or we decide to support them with welfare programs. Many of these people want to work. I encourage this committee to promote that desire by recommending House Bill 2163 favorable for passage.



Kansas Retired Teachers Association

Together We Can

1986-1987



ELECTIVE OFFICERS

President

Lucy E. Clark
425 Morningside Lane
Newton, Ks. 67114
Phone 316-283-2421

President Elect

Mr. Jimmie Nickel
965 Mentlick Dr.
Colby, Ks. 67701
Phone 913-462-2293

Vice President

Ruth M. Lyon
1040 No. 11th
Independence, Ks. 67301
Phone 316-331-2464

Secretary

Miss Esther Griswold
229 East 6th
Hutchinson, Ks. 67501
Phone 316-662-3608

Treasurer

Mr. Fred Jarvis
1122 N. Cedar
Abilene, Ks. 67410
Phone 913-263-1533

Assistant Treasurer

Mrs. Nadine Ramey
1216 N. Campbell
Abilene, Ks. 67410
Phone 913-263-3542

Chairman of Editing & Publishing Committee

Mrs. Elsie Klemp
608 E. Price
Garden City, Ks. 67846
Phone 316-275-5322

Legislative Chairman

Basil Covey
3119 W. 31st. Ct.
Topeka, Ks. 66614
Phone 913-272-5914

Past President

Morris J. Thompson
412 E. 13th
Hutchinson, Ks. 67501
Phone 316-662-3002

District 1

Mrs. Wilda Novotny
2310 Maple Drive
Belleville, Ks. 66935
Phone 913-527-2964

District 2

Mr. John McCoy
1150 Meadowbrook Lane
Manhattan, Ks. 66502
Phone 913-539-6343

District 3

Mr. Willis Jordan
933 Maple
Ottawa, Ks. 66067
Phone 913-242-6130

February 12, 1987

To Members of the House Transportation Committee:

My name is Basil Covey and I represent the Kansas Retired Teachers Association.

We support HB 2163, to enact the Kansas Elderly and Handicapped Transportation Act.

Civilization has always been mobile. The Nomads moved about by foot and later by riding domesticated animals. Great progress in transportation was made with the invention of the wheel. From the time my parents hauled the family in the lumber wagon and buggy to the take-off of a jet plane pulling up the wheeled landing gear, transportation has been a strong feature of the Kansas and the American economy.

Not all Kansas citizens however have ready means of transportation. It has been necessary to provide transportation for the handicapped and the elderly. We have the city bus-lift in Topeka and Red Cross vehicles driven by volunteers to help these two groups of citizens. Several retired teachers are driving Red Cross cars for the elderly and handicapped to meet their appointments. Some of the Kansas rural areas do not have these transportation provisions.

In KRTA district meetings in Iola, Ottawa, Manhattan, Wichita, Ford and Salina retired teachers expressed a need for transportation.

Since reduced federal funding many of the local and county public transportation systems already in place do not have resources to makeup the loss. In the interest of the elderly and handicapped citizens in Kansas we ask for state assistance. We understand that 40 states have passed legislation to support this program.

DISTRICT DIRECTORS

District 4

Russel Lupton
2008 Hart
Dodge City, Ks. 67801
Phone 316-227-3335

District 5

Mrs. Eunice E. Schnitzer
1711 N. 4th, Apt. 518
Arkansas City, Ks. 67005
Phone 316-442-2685

District 6

Margaret Hollenshead
504 S. Central
Chanute, Ks. 66720
Phone 316-431-1135

APPOINTEE OFFICERS

Historian

Mrs. Alma Gall
2206 Sixth Ave.
Dodge City, Ks. 67801
Phone 316-227-7541

Community Participation Chairman

Dr. Ralph Ruhlen
P.O. Box 269
Baldwin, Ks. 66906
Phone 913-594-3413

Necrology Chairman

Mrs. Thelma Childers
1209 S. Evergreen
Chanute, Ks. 66720
Phone 316-431-3882

Informative and Protective Services

Mrs. Lois Marshall
912 Judson Street
Ft. Scott, Ks. 66701
Phone 316-223-2157

Retirement Planning Chairman

Mr. Milton Senti
708 Stout
Pratt, Ks. 67124
Phone 316-672-6183

Membership Chairman

Mrs. Ann Butler
524 N. Main
Hoisington, Ks. 67544
Phone 316-653-2922

KRTA Coordinator

Dr. George Goebel
711 Crest Dr.
Topeka, Ks. 66606
Phone 913-272-3418

Corresponding Secretary

Mrs. Pauline Meador
203 SW 12th
Newton, Ks. 67114
Phone 316-283-8491

Parliamentarian

Mr. Harold Lowe
4801 W. 66th Terrace
Shawnee Mission, Ks. 66208
Phone 913-432-0886

Att. 9

This generation of retired citizens have stressed independence and did for themselves. The handicapped have shown the same characteristic. Now when they no longer can show this independence, they need help.

Adequate transportation can make the elderly and handicapped an important part of society. Most of us realize that doing something for someone else is very rewarding.

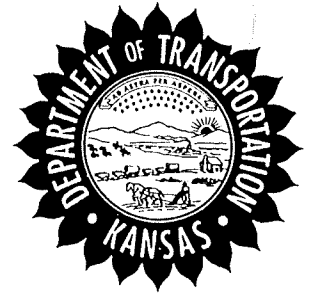
We urge the Committee to support HB 2163.

Sincerely,


Basil Covey
KRTA

KANSAS DEPARTMENT OF TRANSPORTATION

DOCKING STATE OFFICE BUILDING — TOPEKA, KANSAS 66612-1568
(913) 296 — 3566



HORACE B. EDWARDS, Secretary of Transportation

MIKE HAYDEN, Governor

February 12, 1987

MEMORANDUM TO: The Honorable Rex Crowell, Chairman
House Committee on Transportation

FROM: Edward R. DeSoignie *EDS*
Policy Coordinator

REGARDING: House Bill 2163

Thank you Mr. Chairman and members of the Committee for the opportunity to appear before you this afternoon on House Bill 2163.

My name is Ed DeSoignie and I am here this afternoon representing Transportation Secretary Horace Edwards.

The Department has reviewed House Bill 2163 and is unclear as to the bill's implications on the Department's operations. Secretary Edwards has expressed concerns with the possible policy and budgetary implications of House Bill 2163. Until such time as these are better identified, the Kansas Department of Transportation adopts a neutral position on House Bill 2163.

House Bill Number 2026
-Vehicle Dealer Bond Requirements-
-1987 Legislative Session-

House Transportation Committee Meeting
February 12, 1987

Comments By: Robert D. Hayes, Fire and Casualty Policy Examiner
Kansas Insurance Department

Previously the Insurance Department and insurance industry representatives presented information to the Special Committee on Transportation concerning the availability, underwriting requirements and the potential cost of vehicle dealer bonds. Most of the information presented at that time indicated that this type of surety bond would be:

1. Readily available to most vehicle dealers. This information was furnished by the Travelers Indemnity Company, Western Surety Company and State Surety Company. Universal Underwriters Company provided similar information to the Kansas Motor Car Dealers Association.
2. Rated at \$10 per \$1,000 amount of the required bond. This means the proposed \$25,000 vehicle dealers bond would cost \$250. A few companies indicated that the cost of this bond may be lower for new car dealers.
3. Underwritten based on several factors, but emphasis would be given to the dealer's financial condition and general business reputation. None of the surety companies contacted have indicated unusual underwriting requirements for this type of bond.

During the interim meetings a representative of the Fidelity and Deposit Company of Maryland apparently presented information indicating that in some situations this type of surety bond can become difficult to obtain because of the underwriting requirements of the surety company. These situations do occur, often because of changes within the specific area that are being bonded. For example, in today's surety bond market the underwriting requirements for Grain Warehouse Bonds and State Sales Tax Bonds are often viewed as being restrictive. In the situation of State Sales Tax Bonds the requiring statutes allow for cash deposit alternatives to the required surety bond. A cash deposit alternative is now included in the present draft of House Bill No. 2026.

Attached are copies of the following letters:

1. Western Surety Company's letter dated February 4, 1987.
2. State Surety Company's letter dated February 4, 1987.
3. Insurance Department letters to Mr. Henry J. Avila of the Legislative Research Department dated October 29, 1986 and July 1, 1986.

In closing, the Department is continuing to contact other surety companies and associations for their comments regarding House Bill No. 2026. When that information is available we will forward additional information to the Committee; however, we do not foresee any significant changes in the information presented today.

Robert D. Hayes
Fire & Casualty Policy Examiner
Kansas Insurance Department

Attachment



Western Surety Company

Office of General Counsel

February 4, 1987

Kansas Insurance Department
Attn: Robert D. Hayes
420 S.W. 9th
Topeka, KS 66612-1678

Dear Mr. Hayes:

IN REPLY REFER TO:
Special File 4640 - Kansas Motor Vehicle Dealer Bonds

Thank you for your letter of January 30, 1987, requesting further information on the potential availability of the Motor Vehicle Dealer bond as outlined in House Bill 2026. Steve Kirby has requested that I provide you with a response. I hope the following will answer your questions.

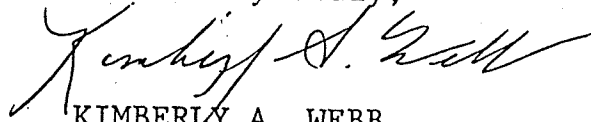
1. Surety Bond Rate - The standard premium rate for this type of surety bond is \$10.00 per thousand, thus the premium for a \$25,000 surety bond would be \$250.
2. Underwriting Requirements - As Steve Kirby pointed out in his presentation, our underwriting requirements would allow for several factors to be considered including the financial statement, agent's recommendation, and the history of the applicant in motor vehicle dealer sales. We cannot provide you with a specific net worth that would be required since our requirements are not "set in stone". All of the previously mentioned factors would be considered together.
3. Availability - We aggressively underwrite bonds in most states that have a \$25,000 penalty. Most dealers should be able to qualify; however, there may be some present dealers or applicants who will not qualify for the \$25,000 bond. This prescreening or elimination of a few dealers is a beneficial process to the community. It is this prequalification aspect that makes a bond requirement an effective instrument for consumer protection.

Kansas Insurance Department
Page 2
February 4, 1987

As a general comment, it would be beneficial if the language in Section 1 (16)(i) line 23 through 33 were stricken. This language makes the selection against the surety. It would be very difficult for a surety to write this bond if only applicants of questionable financial responsibility were required to be bonded. This language is also contrary to the proceeding language requiring a \$25,000 bond of all applicants.

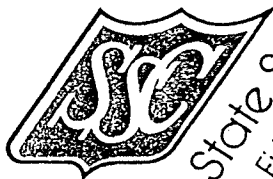
If you have any additional questions or require any further information on the subject, please let us know. Thank you.

Yours very truly,



KIMBERLY A. WEBB
Legislative Assistant

KAW:ke



State Surety Company
Fidelity and Surety Bonds

11201 Douglas Avenue
P.O. Box 1976
Des Moines, Iowa 50306
515 / 270-0009

February 4, 1987

Robert D. Hayes
Fire & Casualty Policy Examiner
Kansas Insurance Department
420 S.W. 9th
Topeka, Kansas 66612-1678

RE: KANSAS HOUSE BILL NO. 2026
MOTOR VEHICLE DEALERS BOND REQUIREMENTS

Dear Mr. Hayes:

Your letter of January 30th, which was addressed to Ben Tramell in our Kansas City office, has been referred to me to respond. With regard to the three paragraphs in your letter, I can answer as follows:

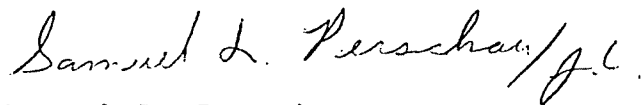
1. The standard Surety Association of America rate for Motor Vehicle Dealer Bonds is \$10.00 per thousand per year. Many states are experiencing competition of these rates and there are some deviations filed. It is impossible to tell at this time whether there will be any deviations in a new law in Kansas, but there may be.

2. Most companies will underwrite Motor Vehicle Bonds based on the financial strength and the background and the experience of the dealer. His background includes credit history as well as more subjective underwriting. Net worth requirements from company to company vary considerably, but in general it is not difficult for dealers to satisfy underwriting requirements. This is especially true of established franchise new car dealers.

3. I believe this type of bond would be generally available in Kansas considering the new law. I know that State Surety Company would be interested in pursuing this type of bond.

If you would like anything more from me, please let me know. I hope I was of some help.

Sincerely,

A handwritten signature in cursive script that reads "Samuel L. Perschau". The signature is written in dark ink and is positioned above the typed name.

Samuel L. Perschau
Vice President

SLP/mg

cc: Ben Tramell



STATE OF KANSAS

KANSAS INSURANCE DEPARTMENT

420 S.W. 9th
Topeka 66612-1678 913-296-3071

1-800-432-2484
Consumer Assistance
Division calls only

October 29, 1986

File
FLETCHER BELL
Commissioner

Mr. Henery J. Avila
Legislative Research Department
Capital Building, Room 545 - N
Topeka, KS 66612

Proposal No. 31 (S.B. No. 470)
Vehicle Dealer Bonding Requirements

Dear Mr. Avila:

This acknowledges our telephone conversations regarding the underwriting requirements utilized by surety companies. I am also including a copy of our July 1, 1986, letter which summarized our prior presentation to the Special Committee on Transportation regarding the proposed vehicle dealer's bond.

It is our understanding that an apparent difference of opinion was presented by Mr. William Cheatham of the Fidelity and Deposit Company of Maryland with respect to the prospective vehicle dealer's bond and underwriting requirements of surety companies. Because of this situation you have requested our additional comments on these matters. After reviewing these specific areas with representatives of the surety bond companies, we can provided the following summaries:

1. Surety Bond Rate Issues: If the proposed bill requires the vehicle dealer to obtain the type of surety set forth in the enclosed draft copy of Senate Bill No. 470 (ASC), then we believe the premium rate will be \$10.00 per \$1,000 of the bond's penalty (coverage) amount. The type of vehicle dealer's bonding requirement being proposed by S.B. No. 470 appears to approximate vehicle dealer's bonding requirements of most other states. From this type of bond requirement, if S.B. No. 470 is revised to require more participation of the surety company with the purchaser of the vehicle, then the premium rate may be increased. On the other hand, if the surety bond requirements are modified in a manner that the surety is responsible to pay only judgements that the dealer cannot financially satisfy, then the premium rate may be lower.

For purposes of clarification of the potential bond premium rate, it will be necessary to provide the surety companies with actual copies of the required bond and a copy of the final law (when enacted) in order for those surety companies to determine the final bond premium rate

INSURANCE DEPARTMENT

Topeka

Mr. Henery J. Avila

October 29, 1986

Page 2

and whether their companies will be a market for this type of bond. Furthermore, it can be anticipated that individual surety companies may utilize different bond premium rates.

2. Underwriting Requirements: Our prior testimony indicated that surety companies would carefully underwrite this type of bond applicant, and that the financial condition and business reputation would be the primary subjects of their underwriting review. It is readily apparent that individual surety companies will utilize their own underwriting requirements. For example, a representative of State Surety Company has indicated that their company would underwrite with principle emphasis on the business reputation of the vehicle dealer and only moderate emphasis on the financial review.

If a vehicle dealer's bonding requirement, with increased responsibilities placed on the surety company is enacted, then stricter underwriting practices may become standard. This could result in increased difficulty for some vehicle dealers in meeting the requirements of the surety bond company.

As previously indicated the proposed vehicle dealer's bonding requirement would appear to be similar to requirements of other states. Based upon the wording of S.B. No. 470, we have been advised by at least three (3) surety companies that this type of surety bond could be made available in Kansas.

If we can furnish additional information regarding this matter, please contact this department.

Very truly yours,

Fletcher Bell
Commissioner of Insurance

Robert D. Hayes
Fire & Casualty Policy Examiner

RDH:crf
1083



STATE OF KANSAS

KANSAS INSURANCE DEPARTMENT

420 S.W. 9th
Topeka 66612-1678 913-296-3071

1-800-432-2484
Consumer Assistance
Division calls only

FLETCHER BELL
Commissioner

July 1, 1986

Copy

Mr. Henry J. Avila
Legislative Research Department
Room 545-N
Capital Building
Topeka, KS 66612

Proposal No. 31 (Senate Bill 470)
Vehicle Dealer Bonding Requirements

Dear Mr. Avila:

The following is a summary of my presentation to the Special Committee on Transportation regarding the proposed vehicle dealers bond.

1. AVAILABILITY: Surety bond companies appear to be willing to provide this type of surety bonds for motor vehicle dealers. The following surety companies were contacted:

<u>Company Name</u>	<u>Response</u>
Travelers Indemnity Company	Could provide the bond
Western Casualty and Surety Company	Providing a market in Missouri, but company will no longer accept new business - due to recent management decision
Fidelity and Deposit Company of Maryland	Could provide the bond
State Surety Company	Could provide the bond

2. PREMIUM COST: The standard premium rate for this type of surety bond is \$10 per \$1,000 of the amount of the bond; therefore, the premium for a \$25,000 annual surety bond would be \$250. Some companies indicated that a lower premium rate may be available for new car dealers.
3. UNDERWRITING REQUIREMENTS: Surety companies indicated that they would underwrite the dealer's bond on a careful basis. That is, they would provide the bond for those dealers demonstrating a good financial condition and a

INSURANCE DEPARTMENT
Topeka

Mr. Henry J. Avila
July 1, 1986
Page 2

favorable business reputation. In addition to the underwriting requirements, most surety companies would also require a personal indemnity agreement from the dealer. Because of these underwriting requirements, there was a general indication that some dealers may not be acceptable risks to any surety bond companies.

4. ASSIGNED RISK PROGRAMS ARE NOT AVAILABLE FOR SURETY BONDS: Individual dealers who cannot obtain the required surety bond through ordinary methods, would be unable to satisfy the proposed licensing requirements. Specifically, there is no established availability mechanism or assigned risk program which guarantees the availability of surety bonds.
5. CUMULATIVE/NON-CUMULATIVE BONDS: Some surety companies indicated a concern regarding the possibility of becoming subject to a "cumulative" surety bond requirement. Mr. Mark Bennett, American Insurance Association, has prepared a handout discussing this concern and proposed wording that would eliminate the cumulative application of the required surety bonds.

Hopefully this information will be of assistant to the chairman and members of the interim legislative committee. Please contact this department if we can be of any further assistance or provide additional information as regards this proposal.

Very truly yours,

Fletcher Bell
Commissioner of Insurance

Robert D. Hayes
Fire & Casualty Policy Examiner

RDH:crf
1471
bcc: Dick Brock
KID