

Approved March 7, 1989
Date

MINUTES OF THE House COMMITTEE ON Transportation

The meeting was called to order by Rex Crowell at
Chairperson

8:40 a.m. ~~XXX~~ on September 1, 1987 in room 519-S of the Capitol.

All members were present except: Representative Sutter

Committee staff present:

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

Conferees appearing before the committee:

Mr. Ed DeSoignie, Kansas Department of Transportation

The meeting was called to order by Chairman Crowell, and the first business taken up was discussion concerning New Section 49 which authorizes the Secretary of Transportation to compensate individuals serving on advisory boards, commissions and committees appointed by the Secretary.

A motion was made by Representative Harper that New Section 49 be left as it is in HB-2001. The motion was seconded by Representative Shore. Motion passed.

Arden Ensley discussed New Section 46 and how interest would be charged on monies advanced by the State of Kansas. He said the present standard legal rate of interest is set at 10 percent.

A motion was made by Representative Moomaw that we concur with Senate language on charging interest. The motion was seconded by Representative Shore. Motion passed.

Representative Snowbarger presented further information concerning New Section 44 which deals with transfers, and read from the Kansas Administrative Regulations, "No permanent employee shall be transferred from a duty station in one county to a duty station in another county, without the consent of the Secretary of Administration, unless the person being transferred has consented in writing to transfer, prior to being transferred."

A motion was made by Representative Snowbarger that New Section 44 be deleted from HB-2001. The motion was seconded by Representative Harper. Motion passed.

Chairman Crowell explained to the Committee a possible program using a 4 cent motor fuel tax with 1 cent going back to the locals, with indexing on the motor fuel tax. He said the vehicle registration fees would be like the Governor's Highway Task Force recommended, but no indexing. Chairman Crowell said KDOT would be solvent until Fiscal Year 2000, which allows new construction of \$1.1 billion on a 7-year let schedule instead of a 5-year let schedule. He said this would permit all the projects in the Governor's recommendations to be built, but would allow them to be built as Super-Two's rather than Four Lanes except that K-96 Bypass in Wichita would be a Four-Lane.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Transportation,
room 519-S, Statehouse, at 8:40 a.m./~~p.m.~~ on September 1, 19 87

Chairman Crowell said some options to this would be 5 cents motor fuel tax with 1 cent going back to local units with all projects reduced again to Super Two except for 4-lane to Holton and 4-lane on K-96 Bypass. He said another option would be to see how low the registration fees could go across the board if trucks were increased 25 percent. He added, a third option would be to see how low the registration fees could go if trucks were put in at 30 percent.

Committee discussion followed.

Mr. Ed DeSoignie, Kansas Department of Transportation, briefed the Committee concerning questions which had been brought up regarding New Section 40. (See Attachment 1)

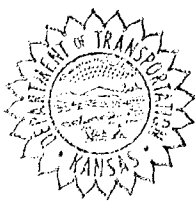
A motion was made by Representative Wilbert that New Section 40 be left in HB-2001. The motion was seconded by Representative Sallee. Motion passed.

The meeting was adjourned at 9:35 a.m.



Rex Crowell, Chairman

STATE OF KANSAS



8:30 AM #1 Ed
9-1-87
ATT #1

KANSAS DEPARTMENT OF TRANSPORTATION

*Docking State Office Building
Topeka 66612-1568
(913) 296-3566*

Horace B. Edwards
Secretary of Transportation

September 1, 1987

Mike Hayden
Governor of Kansas

MEMORANDUM TO: The Honorable Michael L. Johnston
Senate Minority Leader

The Honorable Rex Crowell, Chairman
House Transportation Committee

FROM: Kansas Department of Transportation

REGARDING: Governor's Proposed Comprehensive Highway Plan;
Governance

Secretary Horace Edwards has expressed the need for expedited management of the Comprehensive Highway Plan. The demands of a fast-track construction schedule require elimination of the impediments to complete the program on schedule. The Secretary of Transportation will need to have the authority to manage effectively to accomplish program objectives.

The legislation which has been recommended, seeks to eliminate obstacles to effective management of a fast-track construction program, by providing the Secretary with the necessary tools for the job. A brief section by section review follows:

New Section 39. Authorizes the Secretary to secure such engineering financial or other professional services, including bond counsel, when determined necessary for the completion of the expedited highway program. The section enables the Secretary to move quickly in the procurement of such services. Presently, it can take up to six months to award a contract to a consultant. The Department is not trying to change the procedure, but is trying to compress the time it takes to go through the process. For example, the statute requires publication in the Kansas Register, which can take several weeks, even though our engineering firms do not get their notification from the register. Passage of this section will allow the Department the ability to establish a procedure which will speed up the time it takes to contract with a consulting firm while maintaining necessary safeguards.

Attach. 1

There has been some concern that this will exempt us from competitive bid. We do not competitively bid these professional services now. Price is only one of the considerations. The major consideration is quality.

This section expires July 1, 1997.

New Section 40. Exempts relocation assistance payments from the Kansas Debt Setoff Laws.

The Kansas Debt Setoff Law, as codified at K.S.A. 75-6201 et. seq., directs the Kansas Department of Administration to apply any warrant, issued by the State to a person who owes debts subject to setoff, to the payment of those debts. This can result, and has resulted, in relocation assistance payments being applied against such debts.

On those highway projects involving the use of federal funds, federal funding may be withdrawn from the project by the Federal Highway Administration if relocation assistance benefits don't reach the relocated person as a result of setoff. To insure continued federal funding on the project, KDOT would be required to continue issuing warrants until the individual's entire debt was paid and the full relocation assistance payment was received by the person.

The average debt set-off amounts are under \$100 and consists of things like delinquent child support payments, debts to the Kansas Medical Center and unemployment insurance benefit overpayments.

This section expires July 1, 1997.

New Section 41. Authorizes the Secretary to directly acquire such supplies, materials or equipment or services incidental to construction, reconstruction or maintenance of highways for the expedited highway program.

For example, the expedited highway program with its increased level of construction work will increase the volume of testing of materials, like cement, concrete, sand, even water, and in Bituminous materials, we test asphalt, cement, rock, sand, mineral filler and any material which would be in the mixture both before and after placement. This accelerated testing will require the purchase of specialized scientific and engineering testing equipment. Oftentimes, this equipment is available only from one source, and the current procedure requires detailed and lengthy justification and approval prior to even advertising for purchase.

The end result of the testing is to insure that we get maximum performance from our highway dollars.

This section expires July 1, 1997.

New Section 42. Authorizes the Secretary to hold hearings on contractor disputes pursuant to the Kansas Administrative Procedures Act.

This formalizes procedures currently in place at the Department to settle contractor disputes. For example, on a recent project, the interpretation on the geology presented in the plan was under dispute between the contractor and the Department. This resulted in a claim well in excess of a million dollars.

New Section 43. Authorizes the Secretary on and after July 1, 1988, subject to appropriations acts, to spend funds from the State Highway Fund for rural and elderly and handicapped public transportation. Expenditures in any fiscal year may not exceed 25 percent of the federal apportionment to the State under sections 16(b)(2) and 18 of the Urban Mass Transportation Act, attributable to such fiscal year.

New Section 44. Authorizes the Secretary to adopt rules and regulations for the transfer or reassignment of employees of the Department of Transportation throughout the State when necessary for the management of the expedited highway program.

This provision would enable the Department to deploy people where the work load is greatest. At the present time, employees transferred across county lines can appeal the decision to the Kansas Civil Service Board. The Department does not recommend changing this procedure.

This section expires July 1, 1997.

New Section 45. Authorizes the Secretary to acquire fee simple title to highway right-of-way by trade or eminent domain. Currently the Department can only acquire a permanent easement by eminent domain, which does not give us the right to sell the property later should it become excess. Under a permanent easement, the property reverts back to the underlying title holder. The purchase of the permanent easement costs the taxpayer just as much as a fee simple title, but the taxpayer gets nothing in return should the property be excess. It also expedites the disposal of excess property without the time consuming process of tracking down the present owner of the reversionary interests. There are often questions as to who the underlying fee owner is. This is particularly true in an estate situation. In effect, you can't release the property even though an adjacent property owner may have use for the land and wish to purchase it.

New Section 46. Authorizes the Secretary the discretionary authority to advance monies to utilities, pay in whole or in part for the movement of utilities, and to acquire and transfer utility easements when necessary for the expedited highway program.

The problem is that oftentimes small rural water districts and small municipal utilities may not have the resources to move their utility, and we have lengthy delays awaiting utility relocations. Even the big utilities can have problems when a project is advanced and the relocation money is not in the right budget year for the utility.

This section only provides for a loan from the Department to the utility and provides the authority to sue should the utility not repay the loan.

This Section also allows the Department to acquire utility easements at the same time we are purchasing our own right-of-way, which can provide a savings to the taxpayer. This also speeds up the process because it is more economical for us to buy a bigger piece of land than for both KDOT and the utility to negotiate for purchase of the land at two different times.

Section 47 and 48. Loosens the existing restrictions on out-of-state and in-state recruitment by allowing us to pay relocation expenses. This will allow the Secretary to hire the most qualified people necessary for the management of the highway program. We currently can't recruit sufficient people to fill our present engineering demands. This will enhance our ability to compete with other engineering employers by offering benefits which are common in the marketplace, like moving expenses. This section also increases the poundage restrictions in the law for moving expenses from the current 12,000 pounds limit which is unduly restrictive for the average household, to 19,999 pounds.

This section expires July 1, 1997.

Section 49. Authorizes the Secretary to compensate individuals serving on advisory boards, commissions, and committees appointed by the Secretary. Under existing law, the members of such advisory bodies, commissions, etc., may only receive reimbursement for subsistence. The enabling language would provide the Secretary with the ability to recruit such individuals possessing the qualifications to advise on the management, control and operation of the Department of Transportation.

This does not apply to the hiring of consultants, but would allow us to obtain specialized talent and expertise not available on a consulting basis. The Secretary is required to report annually, all expenses and compensation paid to such individuals, to the Legislature.

In addition, the Governor's proposed legislation provides for the abolition of the current State Highway Advisory Commission.

The purpose of the Highway Advisory Commission was to provide a transition from the days of the State Highway Commission, where there was regional representation into the management of the agency. The state has completed the transition to a Department of Transportation and the role played by the Advisory Commission is no longer necessary.