

Approved 2-12-91  
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Wisdom, Vice-Chairman at  
Chairperson

1:30 ~~am~~/p.m. on January 30, 1991 in room 514-S of the Capitol.

All members were present except: Representatives Teagarden, Adam, Hensley,  
Turnquist, Kline and Lowther (excused)

Committee staff present: Ellen Piekalkiewicz, Legislative Research Department  
Debra Duncan, Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Susan Miller, Administrative Aide  
Sue Krische, Committee Secretary

Conferees appearing before the committee:

Dr. Arland Hicks, Acting Secretary, Kansas Department of Transportation

Others attending: see attached list.

Dr. Arland Hicks, Acting Secretary, Kansas Department of Transportation (KDOT), appeared to update the Committee on the status of the State Highway Program. Dr. Hicks introduced two members of his staff: Ken Stodgell, Administrative Assistant and Legislative Coordinator, and Mokhtee Ahmad, Economics and Planning. He provided written testimony in which he reviewed the provisions and funding in HB 2014 which enacted the comprehensive highway program (Attachment 1). The annual report to the Governor and 1991 Legislature on the Comprehensive Highway Program was distributed to the members (on file in the House Appropriations Committee office and available from KDOT). In a brief review of KDOT expenditures, Secretary Hicks pointed out that current revenue sources will not be adequate to address the funding needs of the transportation system after FY 1997 and additional revenue will be necessary to prevent reductions in the level of service.

Representative Helgerson asked Dr. Hicks to advise the status and nature of the contracts with local governments on the projects designated "system enhancements," including whether the contracts contain cancellation clauses should funds not be available. Representative Helgerson also requested that Dr. Hicks assess the impact on the highway program in terms of specific projects if funding for the Highway Patrol, estimated at \$25 million annually, were shifted back to the State Highway Fund. Representative Helgerson requested additional detail explaining the decrease of eleven percent in expenditures for Management in FY 1992. In addition, Representative Helgerson requested an update on the analysis of spending and projects scheduled for the next seven years which was submitted by the Department last year to the Legislature. He questioned if there would be changes in light of the financial condition of the state and the change in administration.

Representative Blumenthal requested that Dr. Hicks report how a 1.75 percent decrease in highway dollars would affect the highway program. Regarding the \$890 million in bond sales to finance the highway program, Representative Patrick asked Dr. Hicks if an analysis could be provided comparing the length of the bonded indebtedness on a project with its useful life in an effort to avoid a twenty-year payoff on a project having a useful life of ten years. He also asked if the previous study on who pays for roads, i.e., passenger car users versus trucks, will be updated factoring in the current registration fees. Dr. Hicks stated he has no plans to update that study, as the increased number of revenue sources would make proration of costs difficult. Representative Patrick asked if the study could be done based only on registration fees and Dr. Hicks stated he would like an opportunity to evaluate this request before responding.

In response to a question, Dr. Hicks stated the Department at times may have to perform expensive maintenance on a road that may be subsequently scheduled for major modifications, but the Department works to avoid this situation whenever possible. Dr. Hicks indicated that the statement in his testimony that additional revenue would be needed after 1997 to avoid reducing the "level of service" refers to a cutback in the maintenance as well as construction programs. He noted that debt service would be the priority for revenue available after 1997.

Representative Mead asked that Dr. Hicks advise if all of the projects selected as system enhancements have some local match funds.

The meeting was adjourned at 2:20 p.m. The next meeting is scheduled for Thursday, January 31 at 1:30 p.m. in 514-S.



PRESENTATION TO  
APPROPRIATIONS COMMITTEE

JANUARY 30, 1991

BY ACTING SECRETARY ARLAND HICKS

GOOD AFTERNOON, CHAIRMAN TEAGARDEN... MEMBERS OF THE  
COMMITTEE!

THANK YOU FOR ALLOWING ME TO INTRODUCE MYSELF TO YOU AND  
TO DISCUSS THE KANSAS DEPARTMENT OF TRANSPORTATION

MY PURPOSE IN APPEARING BEFORE YOU TODAY IS TO SHARE WITH  
YOU THE CURRENT STATUS OF THE COMPREHENSIVE HIGHWAY  
PROGRAM

IF I MAY, LET ME TAKE YOU BACK, BRIEFLY, TO MAY OF 1989, THE  
ENACTMENT OF H.B. 2014...

H. B. 2014 WAS ESTABLISHED TO ALLOW KANSAS TO PROTECT ITS  
INVESTMENT IN THE STATE HIGHWAY SYSTEM BY MAINTAINING  
RIDING SURFACES AT AN ADEQUATE LEVEL OF SERVICE,  
RECONSTRUCTING MAJOR PORTIONS OF THE HIGHWAY SYSTEM,  
AND MAKING SELECTED IMPROVEMENTS TO MEET THE NEEDS FOR  
TRAFFIC SAFETY, AND ECONOMIC DEVELOPMENT

THEREFORE, WITH THE HELP OF MANY LEGISLATORS, INCLUDING  
SOME OF YOU HERE TODAY, AND THE KDOT STAFF, H.B. 2014... THE  
COMPREHENSIVE HIGHWAY PROGRAM OF \$2.65 BILLION DOLLARS IN  
NEW REVENUE...LOOKED LIKE THIS:

1. SUBSTANTIAL MAINTENANCE: SUFFICIENT TO ARREST AND  
REVERSE THE DECLINE IN THE SURFACE CONDITION OF  
HIGHWAYS AND BRIDGES;
2. MAJOR MODIFICATIONS: SUFFICIENT TO ADDRESS THE TOP  
16 PERCENT OF EXISTING STATE HIGHWAY SYSTEM NEEDS;
3. PRIORITY BRIDGES: INCREASE PROJECTS BY 20 PERCENT  
FOR REHABILITATION OR REPLACEMENT; AND
4. SYSTEM ENHANCEMENTS: \$600 MILLION TO PROVIDE FOR  
A LIMITED NUMBER OF PROJECTS TO IMPROVE SAFETY,  
RELIEVE CONGESTION, IMPROVE ACCESS, OR ENHANCE  
ECONOMIC DEVELOPMENT;

IN ADDITION TO THE FOUR CATEGORIES ABOVE H.B. 2014  
INCLUDED:

*WA*  
*1-30-91*  
*Attachment 1*

YEARS OF COMBINED PROJECTS WILL REPAIR OR RESURFACE AN ESTIMATED 2,853 MILES OF ROADWAY AND WILL MAKE MINOR REPAIRS ON OR PAINT APPROXIMATELY 148 BRIDGES

**2. MAJOR MODIFICATION:** PROJECTS FOR THE FIRST FIVE YEARS OF THE PROGRAM WERE ANNOUNCED IN JANUARY OF 90 AND, IN JUNE OF 90 THE SIXTH YEAR WAS ADDED. THE SIX YEARS OF PROJECTS WILL IMPROVE AN ESTIMATED 1,317 MILES OF ROADWAY AND OVER 456 BRIDGES. WORK PLACED UNDER CONTRACT BY THE END OF FY 90 WILL IMPROVE 347 MILES OF ROADWAY AND 132 ASSOCIATED BRIDGES

**"FAST TRACK PROJECTS"** - PROJECTS THAT REDUCE PEAK LOAD AND ALLOW THE PUBLIC TO BENEFIT SOONER AND COST LESS. A TOTAL OF 398 MILES OF ROADWAY WITH A CONSTRUCTION COST OF \$118 MILLION HAS BEEN ADVANCED FOR CONSTRUCTION IN THE FY'S 90, 91 AND 92. THE DEPARTMENT HAS MADE A CONCERTED EFFORT TO ACCELERATE CONSTRUCTION PROJECTS.

**SOUTHEAST KANSAS CORRIDOR** - IN EARLY JANUARY, KDOT ANNOUNCED THE LOCATION AND THE TYPE OF ROAD FOR THE CORRIDOR. THE LOCATION WILL BE FROM WICHITA THROUGH SE KANSAS TO CONNECT WITH I-44 IN OKLAHOMA. THE INITIAL CONSTRUCTION WILL BE 2 ON 4.

**PRIORITY BRIDGES:** THIRTY-ONE (31) BRIDGES WERE UNDER CONTRACT TO BE REHABILITATED OR REPLACED BY THE END OF FY 90. ANOTHER 124 BRIDGE PROJECTS WERE ANNOUNCED IN JUNE OF 90 TO BE LET TO CONTRACT DURING FY 91-95.

**SYSTEM ENHANCEMENTS:** THE THREE PROJECT CATEGORIES THAT FIT THE DESCRIPTION FOR SYSTEM ENHANCEMENT PROJECTS ARE: CORRIDORS, INTERCHANGES AND SEPARATIONS, AND BYPASSES. IN JUNE OF 90, THE SELECTED PROJECTS ANNOUNCED WERE:

18 CORRIDORS AT \$500 MILLION

7 BYPASSES AT \$270 MILLION

8 INTERCHANGE AND SEPARATIONS AT \$134 MILLION

FOR A TOTAL OF 33 PROJECTS...

AN ESTIMATED \$201 MILLION IN LOCAL FUNDS WILL BE COMMITTED ALONG WITH STATE FUNDS.

THE DEPARTMENT CONTINUES TO CARRY OUT ITS FIVE YEAR PLAN AS ANNOUNCED. IN JUNE WE WILL ANNOUNCE AN UPDATE OF THE PLAN REFERRED TO AS 1992-96.

ADDITIONAL MILES OF MAJOR MODIFICATION AND ADDITIONAL BRIDGES WILL ALSO BE ANNOUNCED AT THAT TIME ALONG WITH THE FY 92 SUBSTANTIAL MAINTENANCE WORK. WITH THE ADDITIONAL WORK TO BE ANNOUNCED FOR FY 96 AND 97, WE EXPECT TO REACH THE GOAL OF THE 1600 MILES AS OUTLINED BY H.B. 2014.

I'M PROUD OF WHAT KDOT AND IT'S PEOPLE HAVE BEEN ABLE TO ACCOMPLISH SINCE THE ENACTMENT OF H.B. 2014... WHAT IS MOST PLEASING IS THE FACT THAT WE HAVE BEEN ON OR AHEAD OF SCHEDULE ON ALL PROJECTS AND WITHIN BUDGET...

NOW THAT I'VE REFRESHED YOUR MEMORY OF THE PROGRAM AND ACQUAINTED YOU WITH THE PROGRESS, I NEED TO DISCUSS THE BUDGET OF THE PROGRAM AND KDOT...

KDOT EXPENDITURES BY PROGRAM ARE AS FOLLOWS:

	<u>FY 90 ACTUAL</u>	<u>REC FY 91</u>	<u>REC FY 92</u>
<u>MAINTENANCE:</u>	\$147,564,549	\$150,439,574	\$161,032,435

FOR AN INCREASE FROM 91-92 OF 7.0 PERCENT

<u>CONSTRUCTION:</u>	316,863,221	348,439,669	426,017,961
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FOR AN INCREASE OF 22.3 PERCENT

<u>LOCAL SUPPORT:</u>	101,907,340	115,473,429	121,089,057
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FOR AN INCREASE OF 4.9 PERCENT

<u>MANAGEMENT:</u>	30,421,318	32,716,110	29,108,743
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FOR A DECREASE OF 11 PERCENT

OVERALL TOTAL EXPENDITURES BY FISCAL YEAR:

	\$596,756,428	\$647,068,782	\$737,248,196
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FOR AN OVERALL INCREASE OF 13.9 PERCENT

1-4

THE PROPOSED BUDGET SHOWS THAT:

KDOT RECOGNIZES MAINTENANCE AS A CONTINUING PRIORITY...

KDOT CONTINUES SUPPORT OF THE COMPREHENSIVE HIGHWAY PROGRAM AS SCHEDULED AND TO BUDGET...

WHILE KDOT IS MAKING EVERY EFFORT TO MAINTAIN... OR HOLD THE LINE... ON AGENCY OPERATION EXPENDITURES.

AS FOR THE FUTURE OF THE COMPREHENSIVE HIGHWAY PROGRAM UNDER GOVERNOR FINNEY... I WILL QUOTE A STATEMENT FROM HER LEGISLATIVE ADDRESS...

"I PROPOSE TO CONTINUE THE AMBITIOUS HIGHWAY DEVELOPMENT PROGRAM WE EMBARKED UPON LAST YEAR."

THE HIGHWAY PROGRAM IS ONE OF GOVERNOR FINNEY'S TOP FOUR PRIORITIES AS SHE OUTLINED IN HER LEGISLATIVE MESSAGE.

AS ACTING SECRETARY, I INTEND TO CONTINUE TO PROVIDE THE STATE WITH THE SAME PRODUCTIVITY AND EFFECTIVENESS AT KDOT THAT HAS BEEN EXHIBITED IN THE PAST ON THE PROGRAM.

I ASK YOU FOR YOUR CONTINUED HELP TO CARRY OUT THIS GREAT PROGRAM FOR THE PEOPLE OF KANSAS.

ONE FINAL ISSUE, I WANT TO TOUCH ON...

CURRENTLY, AS I HAVE EXPLAINED TO YOU, FUNDS ARE STILL ADEQUATE TO FINANCE THE AGENCY OPERATIONS AND ALL PROGRAM COMPONENTS THROUGH FY 97...

CONSTRUCTION CONTRACTS LET IN FISCAL YEARS 1997 ARE EXPECTED TO BE COMPLETED AND BE PAID FOR BY THE END OF FY 2000...

ALTHOUGH THE REVENUE SOURCES CONTINUE AFTER FY 97, THEY ARE NOT ADEQUATE TO ADDRESS THE FUNDING NEEDS OF THE TRANSPORTATION SYSTEM AFTER FY 97...

AT SOME POINT, CONSIDERATION WILL NEED TO BE GIVEN TO EITHER PROVIDING ADDITIONAL REVENUE OR REDUCING THE LEVEL OF SERVICE THAT HAS BEEN SCHEDULED TO BE PROVIDED THROUGH 1997...

AGAIN, THANK YOU FOR INVITING ME TODAY.

I LOOK FORWARD TO THE CONTINUATION OF THE COMPREHENSIVE HIGHWAY PROGRAM AND THE RESULTS IT WILL HAVE ON OUR STATE'S HIGHWAY SYSTEM.

I WILL BE HAPPY TO RESPOND TO QUESTIONS AT THIS TIME.