

Approved: 2-2-99
Date

MINUTES OF THE HOUSE COMMITTEE ON TRANSPORTATION.

The meeting was called to order by Chairperson Rep. Gary Hayzlett at 1:35 p.m. on January 27, 1999 in Room 519-S of the Capitol.

All members were present except:

Committee staff present:

Bruce Kinzie, Revisor
Hank Avila, Research
Chris Courtright, Research
Ellie Luthye, Committee Secretary

Conferees appearing before the committee:

E. Dean Carlson, Secretary of Transportation

Others attending:

See attached list

Chairman Hayzlett called on Secretary Carlson to give a report on the Governor's Transportation Plan. He distributed a document which addressed the needs and the financing of this plan. (Attachment 1) He stated the governor's proposed new comprehensive program would be slightly larger than the 1989 comprehensive plan, however, the number of miles of highway construction would be less because of more four-lane roads and more extensive reconstruction of major traffic corridors. Funding for this program would be with \$1.8 billion in bonds and a transfer of 10 percent of the state sales tax to the state highway fund from the current 7.628%. He concluded that Gov. Graves' proposed \$2.4 billion transportation program was a very good-sized program for Kansas.

The Chair opened the floor for questions. Rep. Larkin requested a chart showing the sales tax demand transfer not capped and Rep. McClure requested a report showing how the revenue from the fuel tax was distributed. Following questions by the committee, Chairman Hayzlett thanked Secretary Carlson for his report.

The meeting adjourned at 2:50 p.m.

The next meeting of the House Transportation Committee is scheduled for Thursday, January 28, 1999.

HOUSE TRANSPORTATION COMMITTEE COMMITTEE GUEST LIST

DATE: 1-27-99

NAME	REPRESENTING
Bill Watts	KDOT
Nancy Bogina	KDOT
Dean Carlson	KDOT
Tom PALACE	PMCA of KANSAS
Alex Kobayantz	Geary Co. Community Dev. Bureau
Jamie Clover Adams	GOVERNORS OFFICE
Josie Torrez	Ks Council on Developmental Disabilities
Patricia Cole	Sen. Tyson Intern
Orville Cole	Senator Tyson
Leslie Kaufman	Ks Farm Bureau
Jane Stevens	Maerni County 169 Task Force
Tom WHITAKER	Ks MOTOR CARRIERS ASSN
Mike Kelley	Ks MOTOR CARRIERS ASSN
James McWilliam	K.A.C.
Christy Caldwell	Topeka Chamber of Commerce
Natalie Bright	KCCI
Ken Baker	Economic Lifeline
Wendy Moses	✓
Draylana Steva	Legislative Assistant - D. Seligson

**Presentation to the
House Transportation Committee**

**Comprehensive Transportation
Program**

January 27, 1999

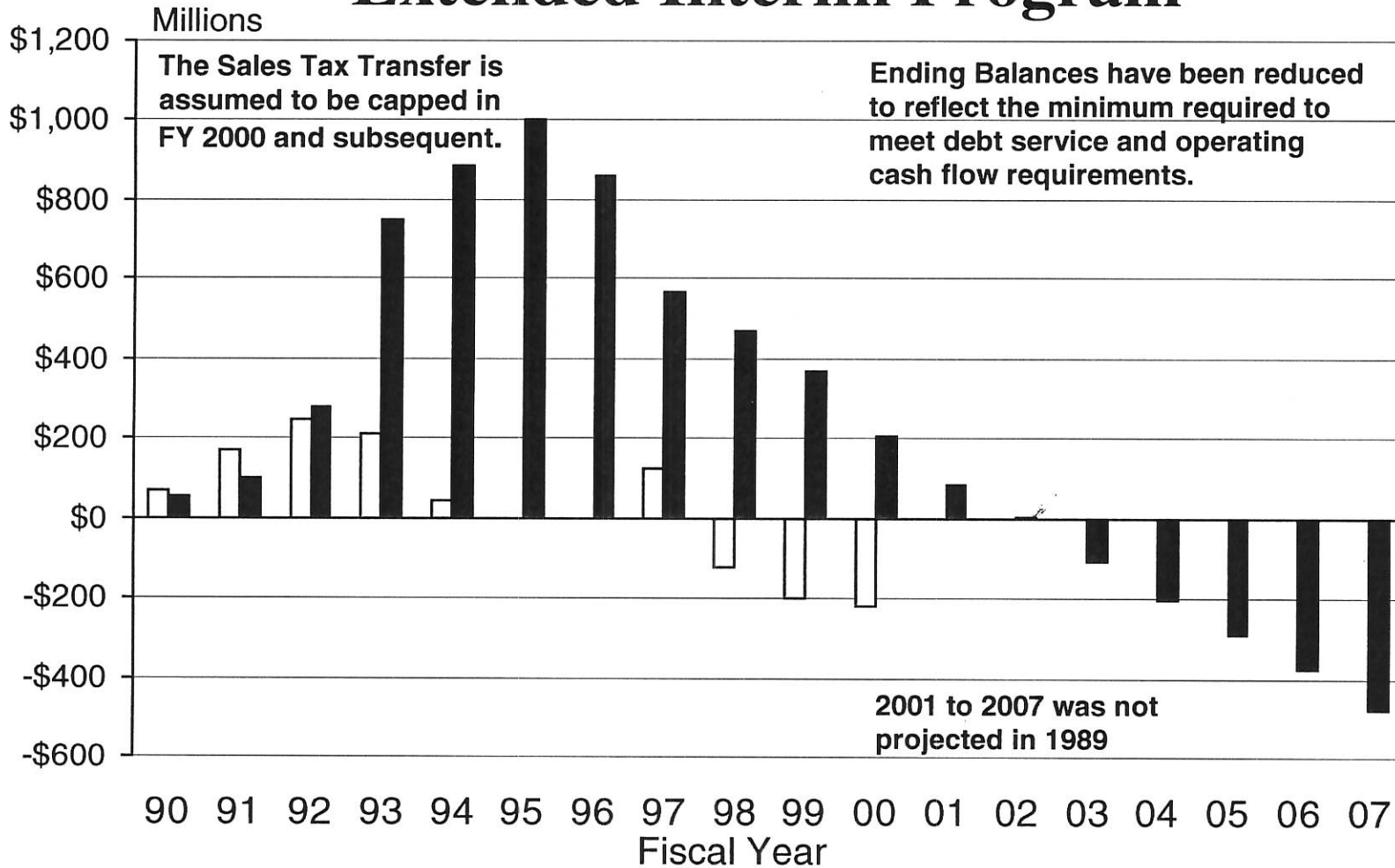
**E. Dean Carlson
Secretary of Transportation**

Kansas Department of Transportation

A Comprehensive Transportation Program is needed because:

- The 1989 CHP provided a viable program for only a limited period of time.**
- The 1989 CHP addressed only a portion of the transportation needs.**
- The 1989 CHP benefited the Kansas economy.**

State Highway Fund Ending Cash Balances Extended Interim Program



□ At time of 89 HB2014 ■ Extended Interim* (90-98 Actual)

* Assumes continued matching of Federal Aid, Substantial Maintenance, & Agency Operations beyond FY 1997.

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Economic Impacts of the 1989 Comprehensive Highway Program

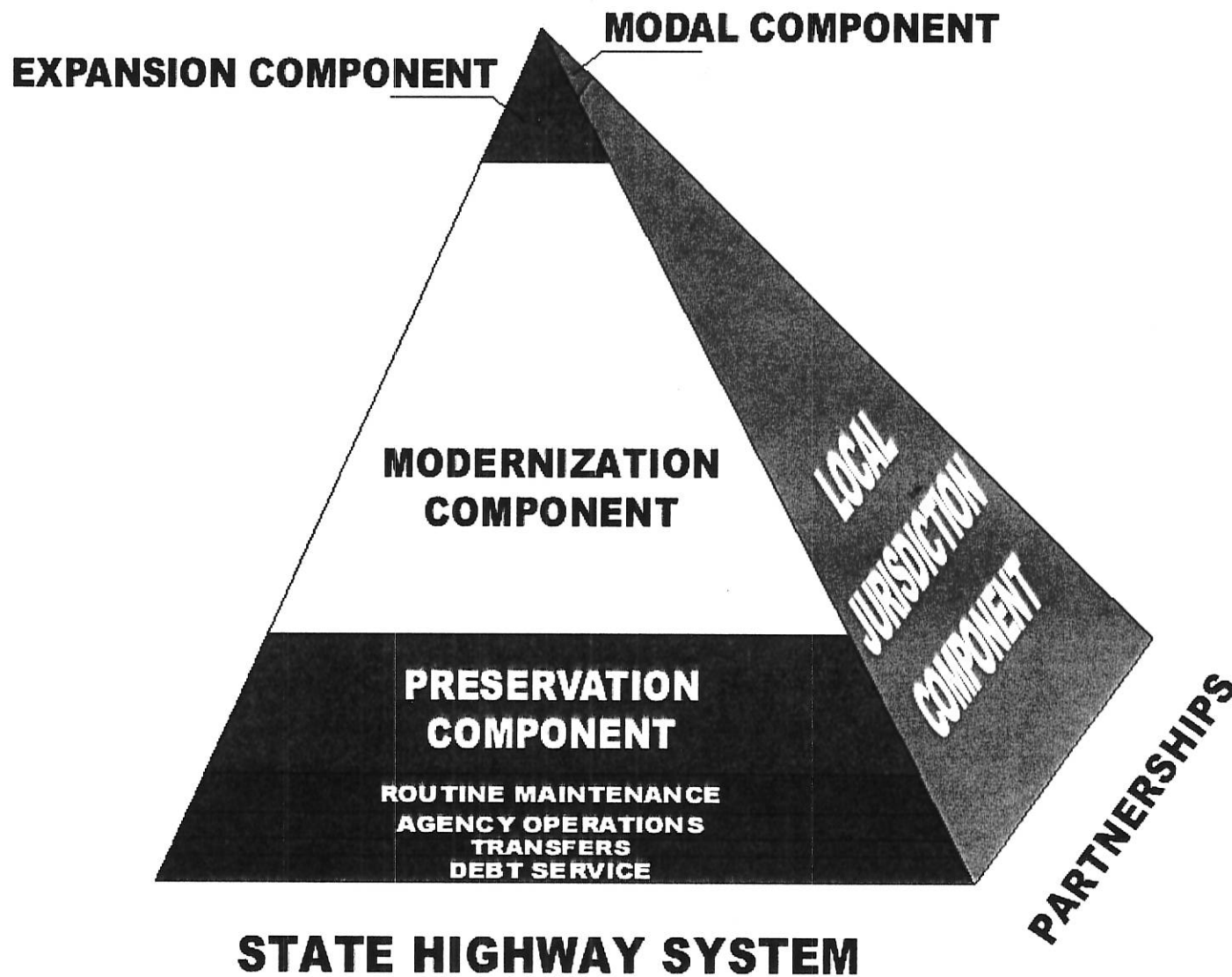
- **Economic multiplier: 2.6 per dollar spent**
- **An increase of nearly 118,000 private sector jobs statewide**
- **\$1.4 billion increase in income**
- **Other benefits**
 - Increased economic development
 - Highway user benefits

Source: Babcock, Michael W., et al. Economic Impacts of the Kansas Comprehensive Highway Program. Kansas State University, 1997.

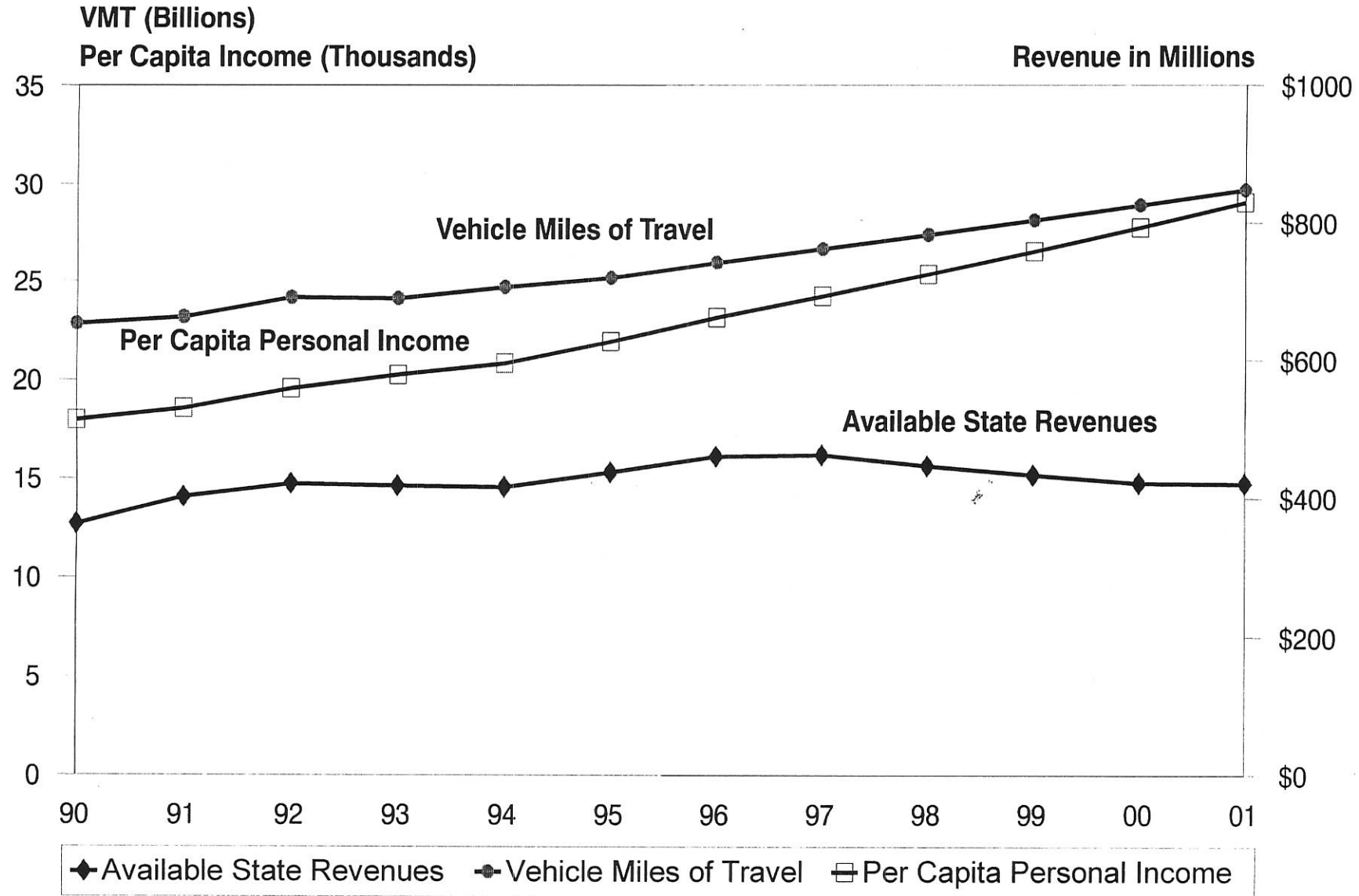
Deficiencies on the State System after CHP

- **Deficient Shoulder Width -2,195 miles**
- **Deficient Shoulder Type - 3,726 miles**
- **Beyond Calculated Life Expectancy**
 - **Non-Interstate Pavement - 7,213 miles**
 - **Interstate Pavement - 188 miles**
 - **Span Bridges - 303**
- **Bridge Needs**
 - **Significantly Deficient Conditions - 257**
 - **Critically Deficient Width - 344**

COMPREHENSIVE TRANSPORTATION PROGRAM "BUILDING BLOCKS"



State Revenues Compared to Income and Travel

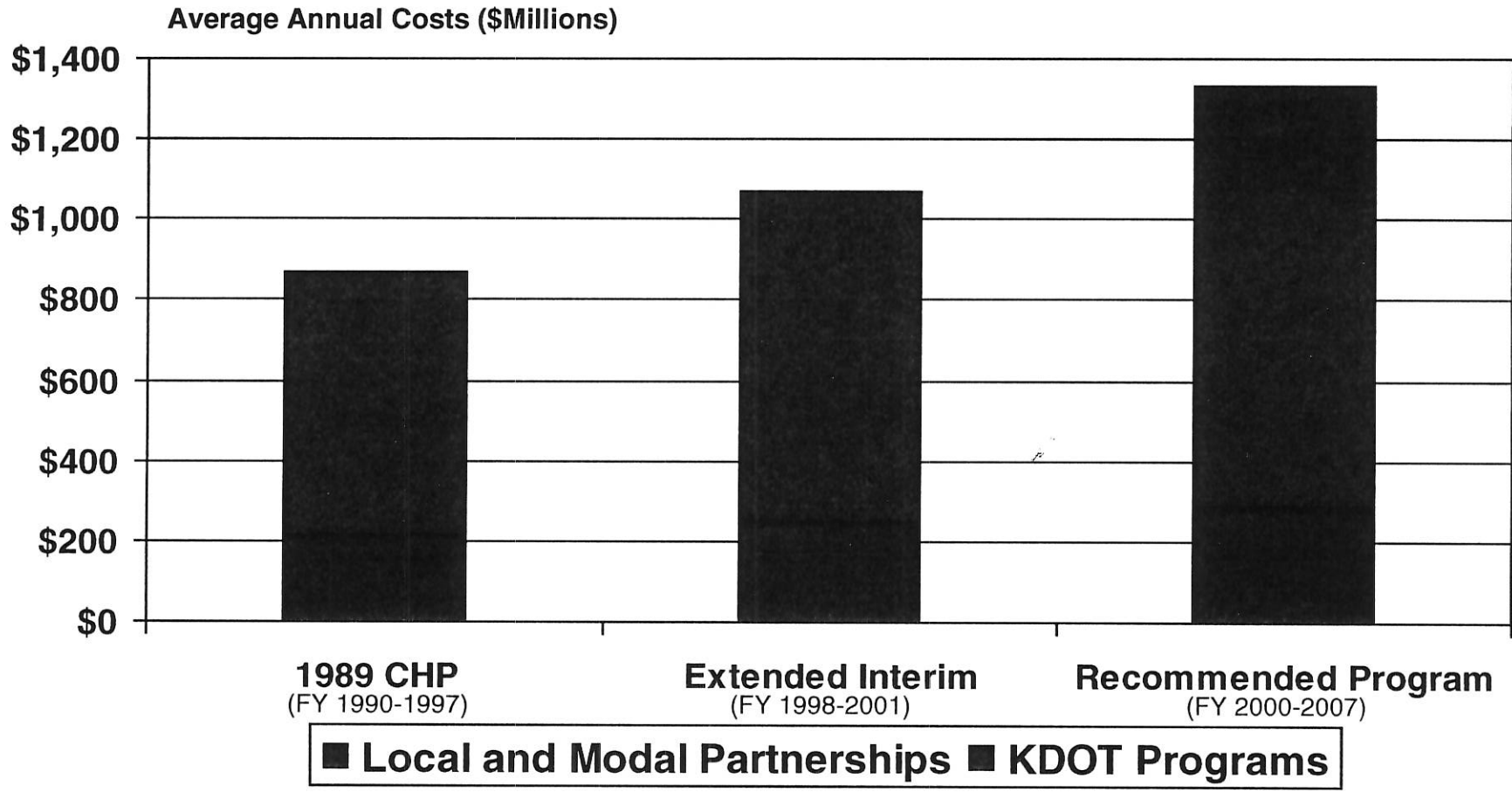


State Revenues have been reduced by the amount of the Debt Service Payments and do not include Bond Proceeds. Projections of Personal Income and VMT uses a 10 year average growth rate. 8

Governor's Transportation Program

Average Annual Costs (\$MILLIONS)	1989 Comprehensive Highway Plan Nominal \$	Extended Interim FY 2004 \$	Recommended Program FY 2004 \$
Maintenance:			
Routine Maintenance	\$ 84	\$ 119	\$ 119
Substantial Maintenance	93	201	201
Construction:			
Major Modification & Priority Bridge System Enhancement	269	299	399
	105	-	125
Modes:			
Aviation	-	-	3
Public Transit (Includes both State & Federal Funds)	5	5	10
Rail (Includes both State & Federal Funds)	3	1	4
Local:			
Special City and County Highway Fund	117	136	160
Local Federal Aid Projects (Includes Local Match)	70	80	80
Local Partnership (Includes Local Match)	17	22	25
KLINK Maintenance Payments	2	2	3
Management and Other	43	70	73
Transfers Out	35	48	48
Existing CHP Debt Service	27	85	85
	\$ 870	\$ 1,068	\$ 1,335
Available Resources (including beginning balance and adjusted for required ending balance)	926	1,033	1,033
Enhanced Resources			
Increase in Sales Tax Transfer			69
Bond Proceeds (Net of issue costs)			267
Debt Service on Bonds in Period			(73)
Increase in Interest Earnings			39
Annual Surplus (Shortfall)	\$ 56	\$ (35)	\$ 0

Program Comparison



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Major Modification and Priority Bridge Formulas

- **Developed by KDOT and Woodward-Clyde Consultants in 1981 at the direction of the Legislature**
- **Roadway sections and bridges are ranked by the seriousness of their deficiencies**
- **Allows KDOT to analyze aggregate need of each roadway section or bridge and prioritize statewide needs within available funding**
- **Formulas take into account various attributes and adjustment factors**

Priority Formula for Non-Interstate Roadway

- **The following information is considered:**
 - **State Route Classification**
 - **Traffic Volume and Commercial Traffic**
 - **Accident Rate**
 - **Posted Speed Limit**
 - **Type of Facility (Divided or Undivided)**
 - **Shoulder Type**
 - **Narrow Structures per Mile**
 - **Shoulder and Lane Width**
 - **Sight Distance and Curves**
 - **Volume/Capacity Ratio**
 - **Pavement Condition (Rideability, Pavement Structural Evaluation, and Observed Condition)**

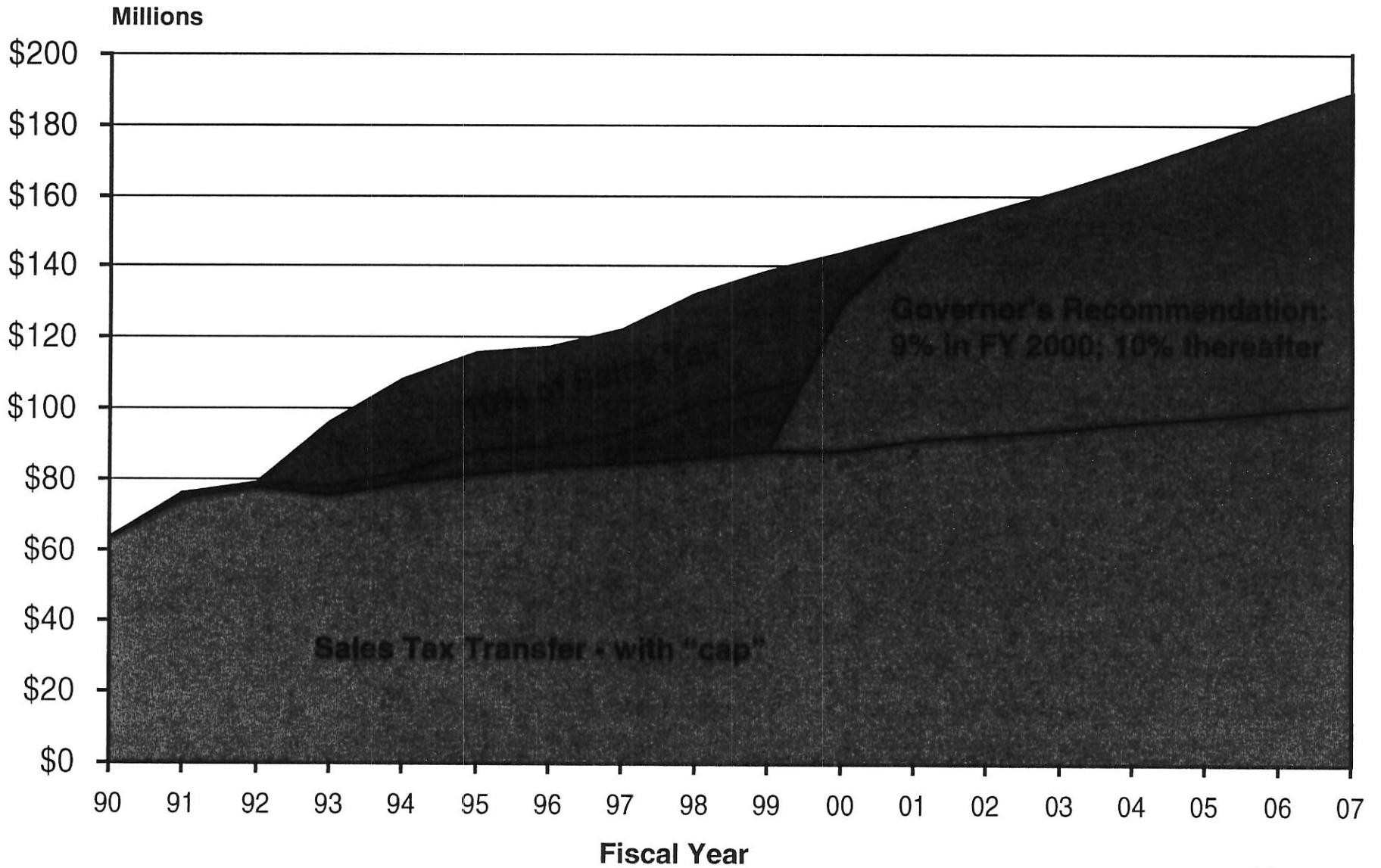
Priority Formula for Bridges

- **The following information is considered:**
 - **Traffic Volume**
 - **Bridge Width**
 - **Deck Condition**
 - **Structural Condition**
 - **Operating Rating**

Number of Miles and Bridges

- **The CHP improved over 1600 miles and 750 bridges on the State Highway System.**
- **It is estimated that the Governor's Recommended Comprehensive Transportation Program would improve approximately 890 miles and 750 bridges.**
- **The number of miles addressed by the CTP is less than the CHP because more four-lane improvements and extensive reconstruction of major corridors and bridges will likely be included.**

Sales Tax Transfer



Bond Finance Component

- **\$1.8 billion in New Debt Authority.**
- **New Debt issued between 1999 and 2004.**
- **Reissue authority for existing debt.**
- **25-year Bonds.**
- **4.75 percent interest rates.**

KANSAS DEPARTMENT OF TRANSPORTATION

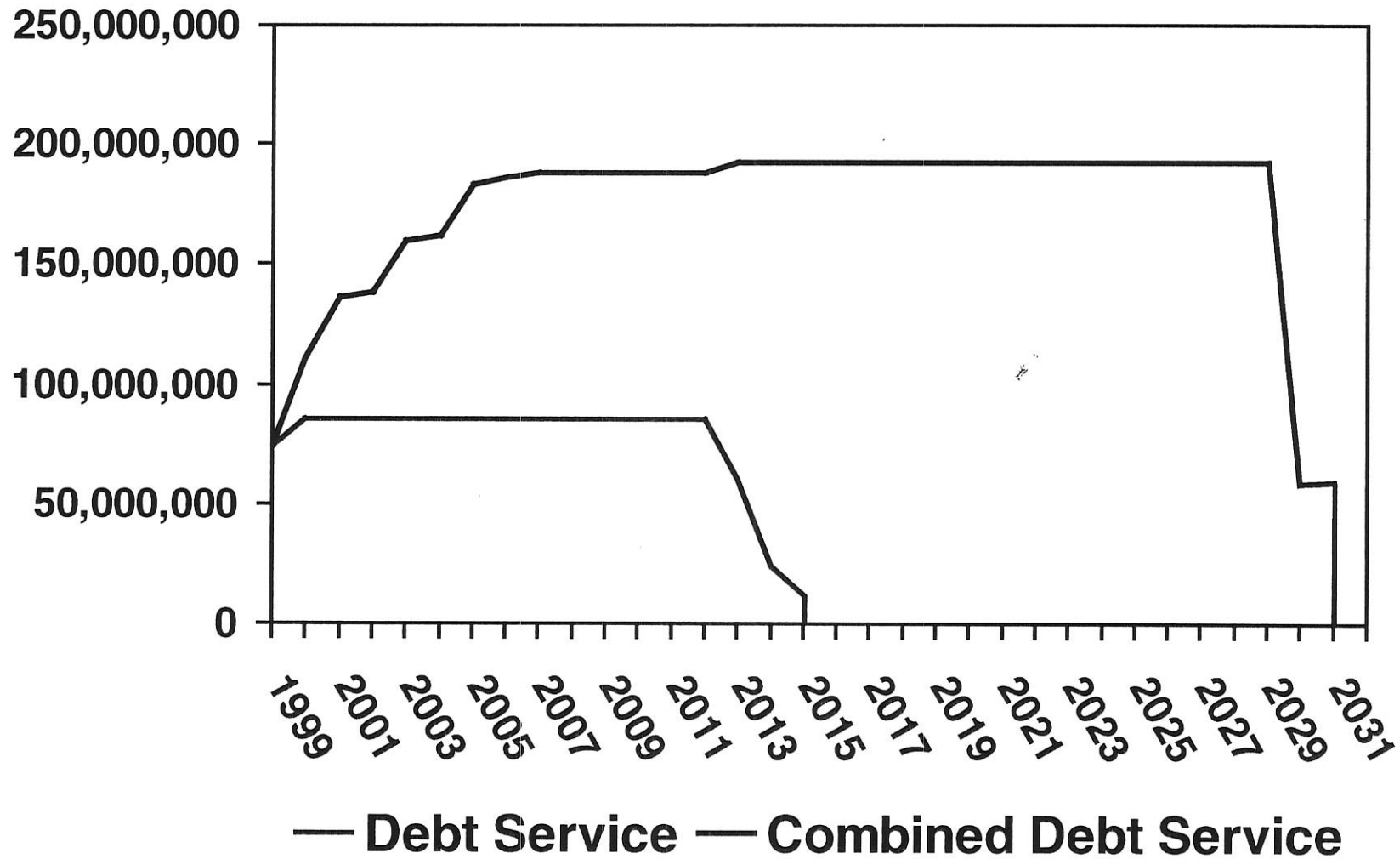
Comparison of Debt Service

(In Millions)

FY Ending 6/30	Current Debt		\$2.168 Billion of 25 Year Bonds				Combined Debt Service
	Out- Standing	Debt Service	Additional Bonds *	New Debt Service		Total	
				Principal	Interest		
1999	\$ 832,035	73,747					\$ 73,747
2000		85,340	\$ 528,155	-	\$ 25,087	\$ 25,087	110,427
2001		85,333	541,570	-	50,812	50,812	136,145
2002		85,314	43,600	-	52,883	52,883	138,197
2003		85,321	445,785	-	74,058	74,058	159,378
2004		85,286	48,130	-	76,344	76,344	161,630
2005		85,290	450,640	-	97,749	97,749	183,040
2006		85,256	53,530	-	100,292	100,292	185,548
2007		85,225	56,585	-	102,980	102,980	188,205
2008		85,233		-	102,980	102,980	188,213
2009		85,222		-	102,980	102,980	188,202
2010		85,156		-	102,980	102,980	188,136
2011		85,155		-	102,980	102,980	188,134
2012		85,204		-	102,980	102,980	188,184
2013		60,466		\$ 28,810	102,980	131,790	192,256
2014		24,181		66,460	101,611	168,071	192,252
2015		12,351		81,450	98,454	179,904	192,255
2016				97,665	94,586	192,251	192,251
2017				102,305	89,946	192,251	192,251
2018				107,165	85,087	192,252	192,252
2019				112,250	79,997	192,247	192,247
2020				117,585	74,665	192,250	192,250
2021				123,170	69,079	192,249	192,249
2022				129,025	63,229	192,254	192,254
2023				135,145	57,100	192,245	192,245
2024				141,575	50,681	192,256	192,256
2025				148,290	43,956	192,246	192,246
2026				155,325	36,912	192,237	192,237
2027				162,705	29,534	192,239	192,239
2028				170,430	21,806	192,236	192,236
2029				178,525	13,710	192,235	192,235
2030				53,530	5,230	58,760	58,760
2031				56,585	2,688	59,273	59,273
Total	\$ 832,035	\$1,279,080	\$2,167,995	\$2,167,995	\$2,216,356	\$4,384,351	\$ 5,663,431

* \$1.8 billion of new bonds plus the reissue of retired principal.

KANSAS DEPARTMENT OF TRANSPORTATION Comparison of Debt Service



No. 516. State Governments—Expenditures and Debt, by State: 1996—Continued

(In millions of dollars, except as indicated. For fiscal year ending in year shown; see text, Section 9)

STATE	GENERAL EXPENDITURE					Utility expenditures	Liquor stores expenditures	Insurance trust expenditures	Cash and security holdings	DEBT OUTSTANDING	
	Selected functions									Total	Per capita ² (dol.)
	Corrections	Natural resources	Parks and recreation	Governmental administration	Interest on general debt						
United States	27,324	12,852	3,479	24,666	25,402	8,043	2,593	94,045	1,558,249	447,339	1,690
Alabama	220	174	8	283	217	(X)	147	988	18,014	3,645	850
Alaska	150	267	15	294	240	21	(X)	504	31,310	3,177	5,251
Arizona	499	169	29	335	181	25	(X)	1,056	21,216	2,936	662
Arkansas	171	136	39	206	121	(X)	(X)	569	10,668	2,142	855
California	3,843	1,876	210	3,095	2,448	100	(X)	14,479	194,354	45,859	1,439
Colorado	353	158	43	294	335	5	(X)	1,405	26,043	3,577	937
Connecticut	465	72	48	536	912	186	(X)	1,608	20,152	16,415	5,024
Delaware	113	44	43	171	270	54	(X)	269	7,889	4,279	5,914
Florida	1,647	1,241	125	1,253	1,112	63	(X)	2,772	59,587	15,515	1,076
Georgia	817	355	184	399	345	(X)	(X)	1,424	32,554	6,200	845
Hawaii	106	75	109	224	333	-	(X)	717	9,676	5,117	4,326
Idaho	98	115	20	99	93	(X)	37	382	7,014	1,454	1,224
Illinois	873	266	203	836	1,493	(X)	(X)	4,019	50,536	22,676	1,914
Indiana	378	160	43	293	271	(X)	(X)	946	21,813	6,117	1,050
Iowa	184	204	17	300	125	(X)	60	610	12,990	2,065	725
Kansas	195	159	5	235	72	(X)	(X)	596	7,557	1,161	450
Kentucky	226	255	91	429	376	8	(X)	1,232	19,462	7,030	1,811
Louisiana	384	319	132	319	745	(X)	(X)	1,439	23,556	7,452	1,717
Maine	64	106	8	120	170	(X)	47	458	6,372	3,160	2,551
Maryland	743	303	68	621	594	393	(X)	1,805	30,394	9,691	1,915
Massachusetts	729	228	97	901	1,708	88	(X)	2,072	33,203	29,295	4,814
Michigan	1,241	401	59	684	696	(X)	370	3,066	46,643	13,668	1,405
Minnesota	302	329	88	461	288	(X)	(X)	1,576	30,369	4,858	1,045
Mississippi	230	168	108	133	136	(X)	108	672	13,089	2,232	823
Missouri	312	231	28	375	307	(X)	(X)	1,090	29,305	7,128	1,329
Montana	66	110	6	122	136	(X)	30	377	6,492	2,244	2,560
Nebraska	94	130	21	119	85	(X)	(X)	170	6,260	1,402	850
Nevada	151	57	14	163	129	83	(X)	725	10,136	2,259	1,411
New Hampshire	62	35	13	130	376	-	182	217	8,373	5,833	5,027
New Jersey	875	163	382	907	1,329	1,422	(X)	4,857	56,754	25,602	3,199
New Mexico	175	89	31	211	110	(X)	(X)	519	16,901	2,147	1,254
New York	2,377	326	291	2,750	3,354	4,657	(X)	8,897	142,507	73,122	4,032
North Carolina	873	403	87	582	251	(X)	(X)	1,810	38,110	4,513	618
North Dakota	17	77	7	59	55	(X)	(X)	203	4,173	819	1,274
Ohio	1,144	284	80	898	822	(X)	260	6,765	105,128	12,628	1,131
Oklahoma	296	133	50	326	159	231	(X)	1,123	14,607	3,889	1,180
Oregon	291	239	32	613	343	1	111	2,113	22,294	6,086	1,904
Pennsylvania	1,077	432	113	1,028	1,088	(X)	648	4,915	67,402	15,046	1,250
Rhode Island	116	28	30	181	295	37	(X)	624	7,600	5,506	5,571
South Carolina	391	171	51	221	185	654	(X)	1,062	18,468	5,324	1,433
South Dakota	44	86	18	79	108	(X)	(X)	113	5,110	1,704	2,310
Tennessee	445	166	82	284	192	4	(X)	941	18,538	3,069	578
Texas	2,351	643	67	932	741	(X)	(X)	4,563	103,090	14,576	763
Utah	158	133	35	235	128	(X)	66	443	11,470	2,464	1,221
Vermont	43	53	9	85	105	1	26	116	2,734	1,718	2,929
Virginia	809	138	69	678	550	4	214	1,192	31,094	8,793	1,319
Washington	497	438	57	406	509	(X)	219	3,280	40,086	8,991	1,629
West Virginia	82	140	40	266	163	5	39	1,303	5,860	2,830	1,555
Wisconsin	513	496	57	427	548	(X)	(X)	1,739	44,764	9,127	1,773
Wyoming	32	83	16	71	54	(X)	30	225	6,530	799	1,665

- Represents or rounds to zero. X Not applicable. ¹ Includes items not shown separately. ² Based on estimated resident population as of July 1.

Source: U.S. Bureau of the Census, <<http://www.census.gov/govs/www/state.html>> (accessed 10 June 1998).

U.S. Census Bureau, *the Official Statistics*TM Statistical Abstract of the United States: 1998 Oct. 16, 1998

Comparison of Resources, Net of Debt Service (Constant Dollars)

