

MINUTES OF THE SENATE TRANSPORTATION & TOURISM COMMITTEE.

The meeting was called to order by Chairperson Senator Ben Vidricksen at 9:05 a.m. on February 10, 2000 in Room 245-N of the Capitol.

All members were present except:

Committee staff present: Hank Avila, Legislative Research Department
Bruce Kinzie, Revisor of Statutes
Marian F. Holeman, Committee Secretary

Conferees appearing before the committee: Senator Mark Gilstrap
Representative Dennis McKinney
Dean Carlson, Secretary, KDOT
Pat Hurley, Economic Lifelines

Others attending: See attached list

SB 496: Relating to Highways - systems enhancements projects**SB 497: Relating to Highways - systems enhancements**

Senator Gilstrap, who requested introduction of these two bills, provided information on the background and reasons for the request. Basically, the bills present two policy options (No written testimony). He then introduced Representative Dennis McKinney who further explained the proposed options; advising that of the two bills, he personally preferred **SB 497** (Attachment 1). Members had several questions regarding the intent of these two bills.

Kansas Department of Transportation Secretary, Dean Carlson presented facts as they relate to **SB 496** and **SB 497** (Attachment 2). He stated he too would prefer **SB 497**, if the revenues ever became available.

Pat Hurley, Economic Lifelines stated they would have no problem with a mechanism which would allow more systems enhancements. He presented a Resolution signed by the thirty organizations which comprise their Board. The Resolution objects to funding being taken out of the Comprehensive Transportation Program and strongly objects to the unprecedented practice of continuing to take funds out every year hereafter. He added that, "playing the estimation game is how Missouri got into trouble." Pursuing the practice of transferring money out of KDOT means these two bills are useless, if money is not left in the program. (Attachment 3).

SB 369: Re drivers license; school sponsored activities

The Sub-Committee report provided new wording for the portions to which objections had been raised at the original hearing on the bill. "Participation" and "Location" were more clearly defined. Senator Jordan moved to adopt the proposed amendment. Senator Goodwin seconded the motion. Motion carried. Senator Jordan moved to report the bill favorable for passage as amended. Senator Gilstrap seconded the motion. Motion carried. Senator Harrington will carry the bill.

Approval of minutes

Senator Huelskamp moved to approve the minutes of the February 9, 2000 meeting. Senator Stephens seconded the motion. Motion carried.

The meeting adjourned at 10:05 a.m.

The next meeting is scheduled for Tuesday, February 15, 2000.

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TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
RANKING MINORITY MEMBER
UTILITIES

MEMBER
ENVIRONMENT
FISCAL OVERSIGHT
TRANSPORTATION

Testimony to Senate Transportation Committee

Senate Bills 496 & 497

February 10, 2000

Thank you Mr. Chairman for holding hearings on these bills and for the opportunity to be here.

In a testimony to the House Transportation Committee the Secretary of Transportation reported that total expenditures for the Comprehensive Transportation Program will probably be around \$13.3 Billion over 10 years, about \$400 million higher than expected at the end of the 1999 session.

Not all of this increase will be spent on construction. But much of it probably will be. The goal of Senate Bills 496 & 497 is to see that a portion of this increase is channeled into system enhancement projects. Such a move leverages the local contributions to the comprehensive program. Also remember that system enhancements are split 35% to urban projects and 65% rural. Therefore all areas stand to benefit.

The bills present two policy options. Of the two I prefer SB497. This bill creates a contingency list of projects approved with the same ranking formula used for other system enhancements. If revenues materialize then the Secretary can approve the projects.

One advantage of this process is that it creates a group of communities who will closely monitor the revenues and operations of KDOT in hopes of insuring approval of their projects. But most importantly, it creates a structure to put more money into system enhancements which not only improve safety but also are ranked for economic development potential. □

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Sen. T+T. 2-10-00
Attach. 1



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OFFICE OF THE SECRETARY OF TRANSPORTATION**

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Bill Graves
GOVERNOR

**Testimony Before The
Senate Transportation and Tourism Committee**

**Regarding Senate Bill 496
Relating To Highways; Concerning System
Enhancement Projects
February 10, 2000**

Mr. Chairman and Committee Members:

I am Dean Carlson, Secretary of the Kansas Department of Transportation. I appreciate the opportunity to discuss Senate Bill 496 with you here today. Senate Bill 496 provides that, as nearly as possible, the amount of \$1.1 billion shall be expended or committed to be expended for System Enhancements during the ten-year period of the Comprehensive Transportation Program. The revised total provides for an increase of \$50 million over the amount originally established in the Comprehensive Transportation Program passed during the 1999 legislative session.

The increased limitation is apparently proposed to provide an opportunity to address a portion of the System Enhancement needs which will not be met under the current Comprehensive Transportation Program. Although the bill increases the funding limitation in an area where there are obviously many unmet needs, the bill is silent with regard to a source for the \$50 million limit increase.

I am, therefore, somewhat perplexed by a couple of issues related to the proposed revision. Taking into consideration the proposed budget reductions in expenditures and revenues for FY 2000 and FY 2001, current projections would indicate that there is no additional revenue to

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2-10-00
Attach 2*

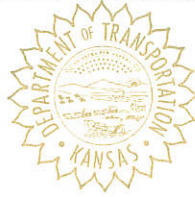
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fund the additional \$50 million in expenditures at this time. In, fact, it is imperative that all anticipated revenues for the remainder of the program be received if the program as originally passed is to be successfully completed. Secondly, since there is no additional revenue and no indicated reduction in expenditures anywhere else within the proposed bill, it is assumed that expending the additional \$50 million will be dependent upon added revenue or project cost savings in the out-years. Any future actions taken to remove such savings from the State Highway Fund would nullify the opportunity to implement any additional System Enhancement projects. In addition, if additional funds were identified at some point in the future and were preserved in the out-years, it may be too late to get the system enhancement projects selected, designed and let within the ten-year program period.

Therefore, if savings were provided by additional revenue or cost savings and those savings were allowed to remain within the State Highway Fund, the bill would provide the opportunity to expend up to an additional \$50 million on System Enhancement projects if the projects could be let within the program period.

If this understanding is correct, the bill would simply enhance the current Comprehensive Transportation Program by providing a degree of flexibility to address additional qualifying System Enhancement projects when, and if, additional funds become available. However, if the bill is intended to mandate an unfunded increase in expenditures for qualifying System Enhancement projects, a reduction in the planned expenditures for other areas of the program would be required and it would be necessary for the agency to oppose the bill.

Again, I thank you for the opportunity to address Senate Bill 496 at your hearing today.



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Bill Graves
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**Testimony Before The
Senate Transportation and Tourism Committee**

**Regarding Senate Bill 497
Relating To Highways; Concerning System
Enhancement Projects
February 10, 2000**

Mr. Chairman and Committee Members:

I am Dean Carlson, Secretary of the Kansas Department of Transportation. I appreciate the opportunity to discuss Senate Bill 497 with you here today. Senate Bill 497 provides that the Secretary of Transportation may approve contingent System Enhancement projects, in an amount not to exceed \$100 million. It further provides that the approval of such contingent projects can only be made if the Secretary makes a determination that sufficient revenues will be available to initiate and complete such projects during the period beginning July 1, 2003, through June 30, 2009 and that the Department of Transportation shall utilize the same selection methodology for contingent projects that was developed for the original System Enhancement projects.

The increased limitation is apparently proposed to provide an opportunity to address a portion of the System Enhancement needs which will not be met under the current Comprehensive Transportation Program. Although the bill provides authority for the Secretary to make a future determination that sufficient revenues would be available for contingent System Enhancement projects, it restricts contingent projects to those that would be completed during the period beginning July 1, 2003, through June 30, 2009.

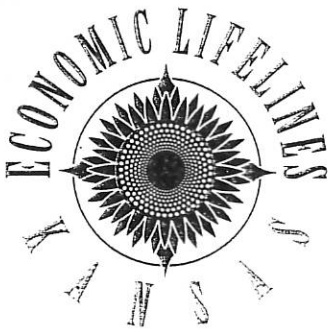
Based upon the proposed budget reductions in expenditures and revenues for FY 2000 and FY 2001, current projections would indicate that there is no additional revenue available at this time. In fact, it is imperative that all anticipated revenues for the remainder of the program be received if the program as originally passed is to be successfully completed.

Testimony Before The Senate Transportation and Tourism Committee
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February 10, 2000

Beyond all the uncertainties in current projections, I would raise concern regarding two other issues that could impact the proposed revision. First, any further actions taken to remove realized savings from the State Highway Fund would nullify the opportunity to implement any contingent System Enhancement projects. Secondly, if additional funds were identified at some point in the future and were preserved in the out-years, it more than likely will be too late at that time to get the system enhancement projects selected, designed, let, and completed within the specified window of opportunity.

Therefore, the proposed bill does provide an opportunity to enhance the expenditure level of System Enhancement projects, but actual realization of such an increase under the conditions of the proposed bill may be extremely difficult to achieve.

Again, I thank you for the opportunity to address Senate Bill 497 at your hearing today.



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RESOLUTION

A RESOLUTION OPPOSING REDUCTIONS IN FUNDING FOR THE 1999 COMPREHENSIVE TRANSPORTATION PROGRAM.

WHEREAS, The 1999 Kansas Legislature enacted a ten year Comprehensive Transportation Program authorizing expenditures for projects and programs in all modes;

WHEREAS, the Legislature approved a program including the following highway system program improvements over ten years;

- Routine and substantial maintenance;
- Construction and reconstruction, including major modifications and priority bridges;
- System enhancement projects - (\$1.05 billion);

WHEREAS, the Legislature approved increased assistance to local units of government over ten years including the following:

- an increase in the Special City and County Highway Fund;
- an increase in general local aid and in state aid for city connecting links maintenance from \$2000 to \$3000 per lane mile;
- new assistance for communities with railroad crossings not on the State Highway System;
- a program of credit enhancements for local units through the Kansas Transportation Revolving Fund;
- spending of at least \$3 million in each county for highway, bridge, and substantial maintenance projects over the ten years;

WHEREAS, the Legislature also approved funding for other modal elements over ten years including the following:

- a loan program for railroad rehabilitation projects;
- the Kansas Airport Improvement Program;
- an enhanced public transit program including expansion of transportation for elderly and disabled;

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Attach. 3*

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WHEREAS, the Legislature approved revenue enhancements including the following to help finance these program commitments:

- authority to issue \$995 million in twenty year bonds;
 - a gradual four cent increase in motor fuels taxes;
- a gradual increase in the sales tax demand transfers from the state general fund;

WHEREAS, communities throughout the state identified their transportation needs to the Governor's Transportation - 2000 Committee and to the Legislature as the basis for enactment of a program and the Legislature overwhelmingly enacted the ten year 1999 Comprehensive Transportation Program specifically to address as many of these identified transportation needs as possible and committed the necessary revenues to support such a program;

WHEREAS, pursuant to this program the Kansas Department of Transportation has already begun to identify projects in all modes which will be completed under this ten year program and is engaged in various stages of work on these projects;

AND WHEREAS, the Legislature must avoid reducing KDOT's funding in any individual year or on an overall basis to such a degree that it risks endangering the completion of projects and commitments due to the uncertainty of future occurrences over the life of the program;


NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Economic Lifelines:

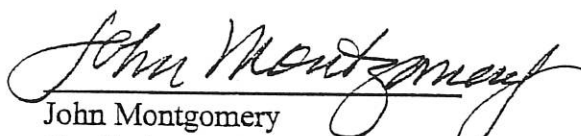
SECTION 1. That it does hereby reiterate its support for the implementation of the total 1999 Comprehensive Transportation Program and the completion of all projects and commitments thereunder and the full retention of all funding components necessary to do so;

SECTION 2. That it does hereby express its strongest possible opposition to any reduction of funding of the 1999 Comprehensive Transportation Program, either on a yearly or overall basis, which could result in the elimination, modification or failure to complete any project which would otherwise be done under the program as originally enacted by the Legislature, or which would reduce the level of funding committed to local units of government;

SECTION 3. That it does hereby direct that copies of this resolution be presented to the Governor, and each individual member of the Kansas Senate and the Kansas House of Representatives.

ADOPTED BY THE BOARD OF DIRECTORS OF ECONOMIC LIFELINES ON,
THIS 17TH DAY OF DECEMBER, 1999.


Fred Berry
Co-Chairman Economic Lifelines


John Montgomery
Co-Chairman Economic Lifelines

DON MOLER
League of Kansas Municipalities

RANDY ALLEN
Kansas Association of Counties

JIM DEHOFF
Kansas AFL-CIO

KEN BLACK
Kansas Association of Airports

RON BUTTS
Kansas Public Transit Association

DAN RAMLOW
Kansas Contractors Association

BILL FULLER
Kansas Farm Bureau

MIKE KELLY
Kansas Motor Carriers Association

ED DESOIGNIE
Heavy Constructors Association
of Greater Kansas City Area

JOHN FOWLER
Kansas Chamber of Commerce
and Industry

ANN CHARLES
JOBS, Inc.

TIM WITSMAN
Wichita Area Chamber of Commerce

JIM DAHMEN
Mid-America, Inc.

JON DAVELINE
Hutchinson/Reno Co. Chamber of Commerce

JIM JONES
Kansas Asphalt Paving Association

GEORGE BARBEE
Kansas Consulting Engineers

AL SILVERSTEIN
Great Bend Chamber of Commerce

MAX ZIMMERMAN
S.P.I.R.I.T. Group

CAROL MEYER
Garden City Area Chamber of Commerce

KEN JOHNSON
Kansas Aggregate Producers Association

GEORGE WELLS
Kansas Cement Council

CHRISTY CALDWELL
Topeka Chamber of Commerce

MARY BIRCH
Overland Park Chamber of Commerce

BUD BURKE
US 69 Highway Association of Kansas

MARY TURKINGTON
Topeka, Kansas

HOWARD LOOMIS
Pratt, Kansas

JOHN KOGER
Kansas Good Roads

ROY WESTHOFF
Kansas Ready Mixed Concrete Association