

MINUTES OF THE JOINT MEETING OF THE SENATE WAYS AND MEANS AND HOUSE TRANSPORTATION COMMITTEES

The meeting was called to order by Chairpersons Senator Stephen Morris and Representative Gary Hayzlett at 12:20 p.m. on March 17, 2004, in Room 123-S of the Capitol.

All members were present except:

Senator David Adkins- excused

Senator Nick Jordan- excused

Committee staff present:

Alan Conroy, Director, Kansas Legislative Research Department

J. G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department

Julian Efird, Kansas Legislative Research Department

Susan Kannarr, Kansas Legislative Research Department

Robert Waller, Kansas Legislative Research Department

Jill Wolters, Senior Assistant, Revisor of Statutes

Judy Bromich, Administrative Analyst

Mary Shaw, Committee Secretary

Conferees appearing before the committee:

None

Others attending:

See Attached List.

This was an informational meeting with the Senate Ways and Means and House Transportation Committees regarding the Alternative Transportation Funding Plan.

Chairman Morris welcomed Representative Gary Hayzlett, Chairman, House Transportation Committee, who presented highlights of the Alternative Transportation Proposal (details listed in Attachment 1). He noted that there has been a lot of work done on this proposed plan. Chairman Hayzlett explained that hopefully this is a plan that by the years 2009-2010, when another highway plan is looked at, there will not be any serious negative figures to consider at that time.

Senator Les Donovan, Chairman, Senate Transportation Committee, was welcomed by Chairman Morris. Chairman Donovan made comments regarding the work done on the Alternative Transportation Proposal. He mentioned that they feel there would be enough votes in both the House and the Senate to pass it out. Chairman Donovan noted that in the alternative plan \$150 million maximum will be sold in bonds, assuming everything is approved, and that no more demand transfer money will be taken under this plan. He also noted that this alternative plan extends the program for two additional years and extends the normal rate of growth in most of the areas for two more years.

Chairman Morris explained that a lot of the Alternative Transportation Proposal parallels the Governor's transportation proposal. He noted that the main differences between the Governor's proposal and the alternative proposal are:

- difference of \$150 million dollars in bonds verses \$460 million dollars in bonds; and
- change of the funding mechanism as far as State General Funds are concerned to more of a revenue transfer, eliminate the demand transfer, and have a dedicated sales tax for the program.

Committee questions and discussion followed. In closing, Chairman Morris mentioned that he feels it is critical to maintain the integrity of the highway program to have infrastructure in place in order to generate economic development dollars that could help fund other programs in the State.

The meeting adjourned at 1:10 p.m. The next meeting is scheduled for March 18, 2004.

**Joint Meeting of the  
House Transportation Committee and  
Senate Ways and Means**

Date: March 17, 2004

Name	Representing
Harv Dandul	Budget
Ethan Erickson	DOB
Patrick Healey	Economic Explorers
Blaine Coulter	KS Good Roads
Marty Matthews	Heavy Contractors Assoc. of GKC
Bob Tollen	Kansas Contractors Association
Warren Zisk	KDOT
Scott Heidner	KS Consulting Engineers
Erik Sartorius	City of Overland Park
Jim Edwards	KASB
Tom Whitaker	KS Motor Carriers Assn.
Bill Brady	Economic Life Line
Wendy Williams	KAPA - KRMCA
Wendy Williams	LAPA - KRMCA
Bob GACHES	KSPE
Jim Miles	Gov's office
Deb Miller	KDOT
Bill Watts	KDOT
Keel Davis	KDOT

**HIGHLIGHTS OF ALTERNATIVE TRANSPORTATION PROPOSAL  
PREPARED FOR BRIEFINGS**

Maintains current funding of \$13.255 billion for all programmed expenditures of Comprehensive Transportation Plan (CTP) through FY 2009, and adds two years beyond CTP with expenditures of \$1.367 billion in FY 2010 and \$1.401 billion in FY 2011.

Provides two state revenue enhancements: (1) growth of the quarter cent (producing \$98 million in FY 2006) to slightly less than two-thirds of a cent (producing \$283 million in FY 2009) from sales tax receipts to replace the demand transfers and (2) addition of up to \$150 million in bonds to be repaid from the State General Fund.

Anticipates additional federal assistance up to \$50 million annually with the six-year renewal of federal transportation legislation.

Maintains an ending Highway Fund balance greater than \$250 million through FY 2009, and maintains a positive ending balance through FY 2011.

Provides for repaying Highway Fund money previously loaned to the State General Fund and for continuing the Highway Patrol financing from the State Highway Fund until FY 2009.

KLRD, 3/16/2004  
11:00 am

*Senate Ways and Means  
3-17-04 pm  
Attachment 1*

**Alternative Transportation Proposal**

<b>Financing Plan by Fiscal Year:</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Beg. Balance	827	717	504	566	302	281	268	268	141
Motor Fuels Tax	408	436	446	454	462	470	477	485	493
Sales Tax Transfer	0	0	0	0	0	0	0	0	0
Quarter Cent to Increase	89	92	95	98	154	273	283	291	302
Registration Fees	146	148	151	153	156	158	161	163	166
Other State	67	43	46	36	33	34	33	29	30
SGF Bonds	0	0	0	0	100	50	0	0	0
Subtotal--State	710	719	738	741	905	985	954	968	991
Fed & Local Aid	408	320	402	389	379	399	426	242	281
Net Bond Sales/Loan Repay	2	200	400	0	33	31	31	31	0
Net TRF Loan Transact.	0	20	3	3	3	(22)	(2)	0	0
Total Resources Available	1,947	1,976	2,047	1,699	1,622	1,674	1,677	1,509	1,413
Routine Maintenance	107	117	121	126	129	132	136	140	144
Sub. Maintenance	138	185	196	196	202	210	218	227	237
Construction	475	647	606	476	405	454	441	379	393
Modes	22	19	18	19	19	20	20	18	16
Local Support	248	264	275	280	282	285	286	282	287
Manage & Blds	53	68	57	74	78	76	85	78	77
Transfers Out	68	87	90	99	94	97	100	69	71
Debt Service	119	85	118	127	132	132	123	175	176
Total Expenditures	1,230	1,472	1,481	1,397	1,341	1,406	1,409	1,368	1,401
<b>Ending Balance</b>	<b>717</b>	<b>504</b>	<b>566</b>	<b>302</b>	<b>281</b>	<b>268</b>	<b>268</b>	<b>141</b>	<b>12</b>

Alternative Proposal Adjustments:

Adjust Quarter Cent Transfer									
Estd. Annual Increase (Millions)	0	0	0	0	\$53	\$168	\$174	\$179	\$186
Fractional Rate	0.25	0.25	0.25	0.25	0.38	0.65	0.65	0.65	0.65
Total Amount Generated	\$89	\$92	\$95	\$98	\$154	\$273	\$283	\$291	\$302

FY 2007 \$100M, FY 2008 \$50M SGF backed bonds

FY 2005 fed. aid increased \$50 million per year

Updated, revised  
KLRD, 3/16/2004

11:00 AM

<b>Gov. Rec. -- January 2004</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011 1)</b>
Beg. Balance	827	717	504	516	302	280	319	203	(41)
Motor Fuels Tax	408	436	446	454	462	470	477	485	493
SGF Transfer	0	0	0	0	52	105	108	112	116
Quarter Cent	89	92	95	98	101	105	109	112	116
Registration Fees	146	148	151	153	156	158	161	163	166
Other State	67	43	46	36	33	34	33	29	30
Gov. Rec. Bonds	0	0	0	100	150	215	0	0	0
Subtotal--State	710	719	738	841	954	1,087	888	901	921
Fed & Local Aid	408	320	352	339	329	349	376	192	231
Net Bond Sales/Loan Repay	2	200	400	0	33	31	31	31	0
Net TRF Loan Transact.	0	20	3	3	3	(22)	(2)	0	0
Total Resources Available	1,947	1,976	1,997	1,699	1,621	1,725	1,612	1,327	1,111
Routine Maintenance	107	117	121	126	129	132	136	140	144
Sub. Maintenance	138	185	196	196	202	210	218	227	237
Construction	475	647	606	476	405	454	441	379	393
Modes	22	19	18	19	19	20	20	18	16
Local Support	248	264	275	280	282	285	286	282	287
Manage & Blds	53	68	57	74	78	76	85	78	77
Transfers Out	68	87	90	99	94	97	100	69	71
Debt Service	119	85	118	127	132	132	123	175	176
Total Expenditures	1,230	1,472	1,481	1,397	1,341	1,406	1,409	1,368	1,401
<b>Ending Balance</b>	<b>717</b>	<b>504</b>	<b>516</b>	<b>302</b>	<b>280</b>	<b>319</b>	<b>203</b>	<b>(41)</b>	<b>(290)</b>
<b>Alternative Proposal</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011 1)</b>
Beg. Balance	827	717	504	566	302	281	268	268	141
Motor Fuels Tax	408	436	446	454	462	470	477	485	493
Sales Tax Transfer	0	0	0	0	0	0	0	0	0 3)
Quarter Cent to Increase	89	92	95	98	154	273	283	291	302 4) 5)
Registration Fees	146	148	151	153	156	158	161	163	166
Other State	67	43	46	36	33	34	33	29	30
SGF Bonds	0	0	0	0	100	50	0	0	0 6)
Subtotal--State	710	719	738	741	905	985	954	968	991
Fed & Local Aid	408	320	402	389	379	399	426	242	281 2)
Net Bond Sales/Loan Repay	2	200	400	0	33	31	31	31	0 7)
Net TRF Loan Transact.	0	20	3	3	3	(22)	(2)	0	0
Total Resources Available	1,947	1,976	2,047	1,699	1,622	1,674	1,677	1,509	1,413
Routine Maintenance	107	117	121	126	129	132	136	140	144
Sub. Maintenance	138	185	196	196	202	210	218	227	237
Construction	475	647	606	476	405	454	441	379	393
Modes	22	19	18	19	19	20	20	18	16
Local Support	248	264	275	280	282	285	286	282	287
Manage & Blds	53	68	57	74	78	76	85	78	77
Transfers Out	68	87	90	99	94	97	100	69	71 7)
Debt Service	119	85	118	127	132	132	123	175	176
Total Expenditures	1,230	1,472	1,481	1,397	1,341	1,406	1,409	1,368	1,401
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## Alternative Proposal Adjustments:

Adjust Quarter Cent Transfer									
Estd. Annual Increase (Millions)	0	0	0	0	\$53	\$168	\$174	\$179	\$186
Fractional Rate	0.25	0.25	0.25	0.25	0.38	0.65	0.65	0.65	0.65
Total Amount Generated	\$89	\$92	\$95	\$98	\$154	\$273	\$283	\$291	\$302

FY 2007 \$100M, FY 2008 \$50M SGF backed bonds

FY 2005 fed. aid increased \$50 million per year

Updated, revised  
KLRD, 3/16/2004

11:00 AM

Comparison of Current Law, Gov January 2004 Recs, and Alternative Proposal Plan -- Net SGF Impacts (In Millions of Dollars):

Current Law (less old bonds)	2003	2004	2005	2006	2007	2008	2009	2010	2011	Cum.
SGF Transfer				(188)	(186)	(189)	(196)	(204)	(212)	
Quarter Cent				(98)	(101)	(105)	(109)	(112)	(116)	
Total				(286)	(287)	(294)	(305)	(316)	(328)	(1,816)
<b>Gov Rec -- January 2004</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	
SGF Transfer	0	0	0	0	(52)	(105)	(108)	(112)	(116)	
Quarter Cent	(89)	(92)	(95)	(98)	(101)	(105)	(109)	(112)	(116)	
\$95/\$29M Loan Repay	0	0	0	0	(33)	(31)	(31)	(31)	0	
Net KHP	0	19	22	31	26	29	32	0	0	
Net Bond Payments	0	0	0	0	(8)	(23)	(35)	(35)	(35)	
Total	(89)	(73)	(73)	(67)	(168)	(235)	(251)	(290)	(267)	(1,513)
<b>Diff Current Law</b>				<b>219</b>	<b>119</b>	<b>59</b>	<b>54</b>	<b>26</b>	<b>61</b>	<b>538</b>
<b>Alternative Proposal</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	
Sales Tax Transfer	0	0	0	0	0	0	0	0	0	
Quarter Cent to Increase	(89)	(92)	(95)	(98)	(154)	(273)	(273)	(291)	(302)	
\$95/\$29M Loan Repay	0	0	0	0	(33)	(31)	(31)	(31)	0	
Net KHP	0	19	22	31	26	29	32	0	0	
Net Bond Payments	0	0	0	0	0	(8)	(11)	(11)	(11)	
Total	(89)	(73)	(73)	(67)	(161)	(283)	(283)	(333)	(313)	(1,675)
<b>Diff Current Law</b>				<b>219</b>	<b>126</b>	<b>11</b>	<b>22</b>	<b>(17)</b>	<b>15</b>	<b>376</b>
<b>Diff. Gov/Alt. Plan</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>(48)</b>	<b>(32)</b>	<b>(43)</b>	<b>(46)</b>	<b>(162)</b>

Updated, revised  
KLRD, 3/11/04 11:00 am

Alternative Proposal Plan GBR plus \$50M less \$100M bonds.xls

<b>Gov. Rec. -- Jan. 2004 + \$50M</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011 a)</b>
Beg. Balance	827	717	554	616	352	380	469	403	209
Motor Fuels Tax	408	436	446	454	462	470	477	485	493
SGF Transfer	0	0	0	0	52	105	108	112	116
Quarter Cent	89	92	95	98	101	105	109	112	116
Registration Fees	146	148	151	153	156	158	161	163	166
Other State	67	43	46	36	33	34	33	29	30
<b>Gov. Rec. Bonds less \$100M</b>	0	0	0	0	150	215	0	0	0
Subtotal--State	710	719	738	741	954	1,087	888	901	921
<b>Fed &amp; Local Aid+\$50M</b>	408	370	402	389	379	399	426	242	281 a)
Net Bond Sales/Loan Repay	2	200	400	0	33	31	31	31	0
Net TRF Loan Transact.	0	20	3	3	3	(22)	(2)	0	0
<b>Total Resources Available</b>	<b>1,947</b>	<b>2,026</b>	<b>2,097</b>	<b>1,749</b>	<b>1,721</b>	<b>1,875</b>	<b>1,812</b>	<b>1,577</b>	<b>1,411</b>

Routine Maintenance	107	117	121	126	129	132	136	140	144
Sub. Maintenance	138	185	196	196	202	210	218	227	237
Construction	475	647	606	476	405	454	441	379	393
Modes	22	19	18	19	19	20	20	18	16
Local Support	248	264	275	280	282	285	286	282	287
Manage & Blds	53	68	57	74	78	76	85	78	77
Transfers Out	68	87	90	99	94	97	100	69	71
Debt Service	119	85	118	127	132	132	123	175	176
<b>Total Expenditures</b>	<b>1,230</b>	<b>1,472</b>	<b>1,481</b>	<b>1,397</b>	<b>1,341</b>	<b>1,406</b>	<b>1,409</b>	<b>1,368</b>	<b>1,401</b>

**Ending Balance 717 554 616 352 380 469 403 209 10**

<b>Gov. Rec. -- Jan. 2004 + \$40M</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011 1)</b>
Beg. Balance	827	717	544	596	422	440	519	443	239
Motor Fuels Tax	408	436	446	454	462	470	477	485	493
SGF Transfer	0	0	0	0	52	105	108	112	116 3)
Quarter Cent	89	92	95	98	101	105	109	112	116 4) 5)
Registration Fees	146	148	151	153	156	158	161	163	166
Other State	67	43	46	36	33	34	33	29	30
<b>Gov. Rec. Bonds</b>	0	0	0	100	150	215	0	0	0 6)
Subtotal--State	710	719	738	841	954	1,087	888	901	921
Fed & Local Aid	408	360	392	379	369	389	416	232	271 2)
Net Bond Sales/Loan Repay	2	200	400	0	33	31	31	31	0 7)
Net TRF Loan Transact.	0	20	3	3	3	(22)	(2)	0	0
<b>Total Resources Available</b>	<b>1,947</b>	<b>2,016</b>	<b>2,077</b>	<b>1,819</b>	<b>1,781</b>	<b>1,925</b>	<b>1,852</b>	<b>1,607</b>	<b>1,431</b>

Routine Maintenance	107	117	121	126	129	132	136	140	144
Sub. Maintenance	138	185	196	196	202	210	218	227	237
Construction	475	647	606	476	405	454	441	379	393
Modes	22	19	18	19	19	20	20	18	16
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**Ending Balance 717 544 596 422 440 519 443 239 30**

Updated, revised  
KLRD, 3/16/2004

11:00 AM