

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Les Donovan at 8:30 A.M. on January 18, 2005 in Room 527-S of the Capitol.

Committee members absent: Phil Journey- excused
Anthony Hensley- excused

Committee staff present: Hank Avila, Kansas Legislative Research Department
Bruce Kinzie, Revisors of Statutes
Maggie Breen, Committee Secretary

Conferees appearing before the committee: Secretary Deb Miller, Department of Transportation

Other Attending:
See attached list.

Overview of KDOT

Secretary of Kansas Department of Transportation, Deb Miller, introduce staff members: Marcie Ferrell, Chief, Management and Budget; Ken Gudenkauf, Legislative Liaison; and Warren Sick, State Transportation Engineer. Secretary Miller handed out paper copies of a slide presentation and walked the committee through the information. (Attachment 1) Among the many interesting facts she presented are the following:

- There are 10,000 miles of state highways
- Due to our geographical location, there are very heavy freight flows across our state highways
- KDOT has 3,200 employees
- The state is divided into 6 highway districts
- State and local transportation systems are linked physically and functionally
- State highway system makes up 8% of total public road miles in Kansas
- This 8% of public road miles carries 59% of all of the travel
- Total state highway funds are comprised of funds from:
 - Motor fuels tax
 - Federal funds
 - Vehicle registration fees
 - Bonds
 - Sales tax direct deposit
 - Local matching funds
 - Other (drivers license fees, etc)
 - Sales tax transfer

- A Comprehensive Transportation Program (CTP) Passed in 1999
 - \$5.5 Billion for State Highway Construction Program
 - \$2.8 Billion for Local Transportation Program
 - Sales Tax Transfer Reductions due to Economic Downturn
 - Funding at a Crossroads in 2004 - Sales Tax Transfer Statutory Rates Not Met
 - KDOT Streamlined CTP by \$800 Million before asking for additional funds
 - 2004 Session Restored Financial Integrity
 - Funding Mix for CTP has changed
 - CTP Boosts the Kansas Economy
 - Of the \$5.5 Billion Highway Construction Program, \$2.9 Billion completed
- KDOT is now located at 700 SW Harrison, Eisenhower State Office Building

Secretary Miller said there are many other things going on at KDOT that she will cover at a future time including: other modes of transportation (rail, transit, aviation), 800MHz, KDOT Partnership Project and KDOT streamlining, innovations, and improvements. One important issue she will definitely be back for is the increasing highway fatality rate.

Introduction of bill

CONTINUATION SHEET

MINUTES OF THE Senate Transportation Committee at 8:30 A.M. on January 18 in Room 527-S of the Capitol.

Carmen Alldritt, Director, Department of Revenue, Division of Vehicles, said her division has one piece of legislation this year. On your license plate it says essentially "SAM 123." There are approximately 17 million possible combinations and they are nearly exhausted. If the Secretary of Revenue were allowed to assign the combination and arrangement of numbers and letters, they could use "123 SAM" or whatever combination they would decide in the future.

Senator Gilstrap moved to introduce the bill. Senator O'Connor seconded the motion. Motion carried.

The meeting adjourned at 9:10 a.m.

The next meeting is scheduled for January 20.

SENATE TRANSPORTATION COMMITTEE

GUEST LIST

DATE: January 18, 2005

NAME	REPRESENTING
Tom Whitaker	KS MOTOR CARRIERS ASSN
Amber Shaverdi	PMCA
Carmen Alford	KDOR
Diane Albert	"
Angy Shaw	KARA
Robert May	HEIN LAW FIRM
Scott Heidner	ALEC Kansas
Deb Miller	KDOT
Warren Sick	KDOT
Marcia Ferrill	KDOT
Ken Gudenkauf	KDOT

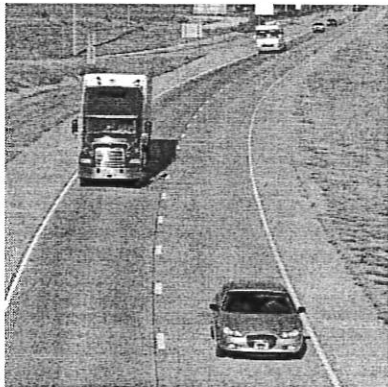


Senate Transportation Committee

January 18, 2005

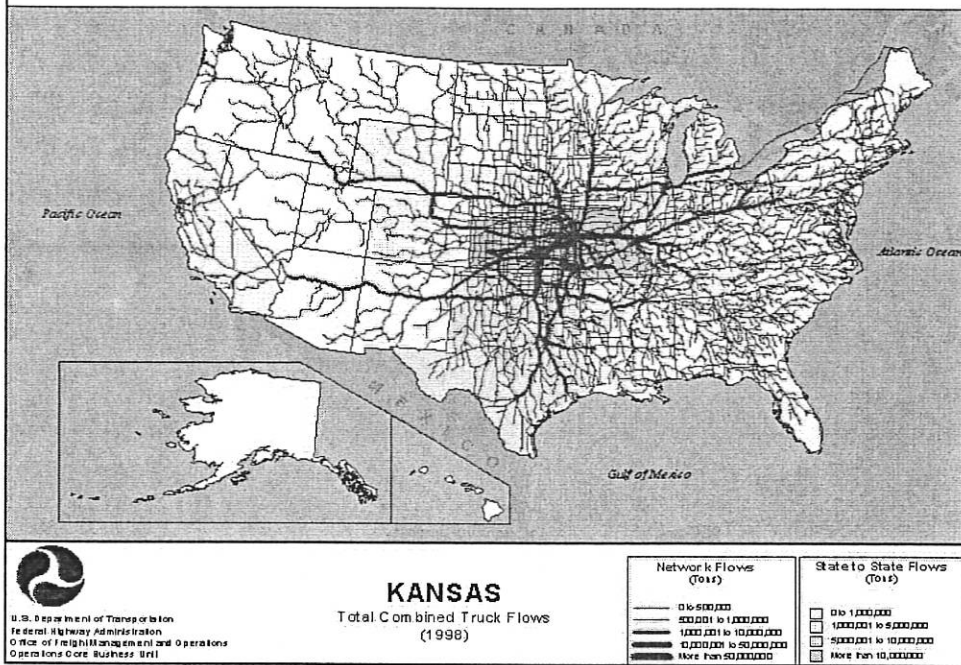


Transportation Moves People and the Kansas Economy



- 10,000 miles of state highways
- More than 2 million registered vehicles
- Nearly 2 million licensed drivers
- More than \$160 billion of goods shipped to/from and within Kansas annually

Freight flows to, from, and within Kansas by truck: 1998 (tons)



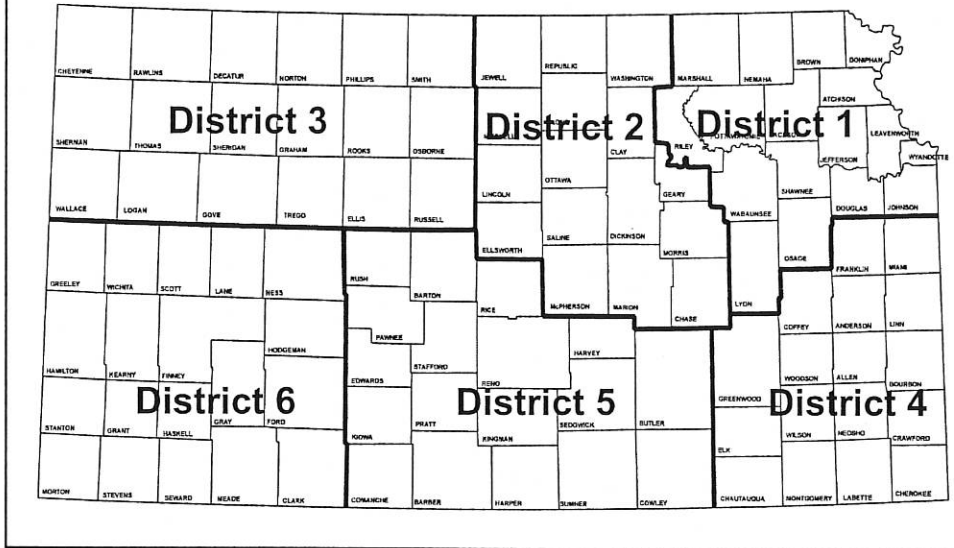
KDOT's Resources Strategically Deployed



- 3,200 employees
- 2,000 + employees in 6 districts / 26 areas
 - Road maintenance and construction inspection
- 1,000 employees at headquarters
 - Planning and local projects
 - Road and bridge design
 - Aviation, rail, and transit services
 - Signs, access, and speed limits



District Map

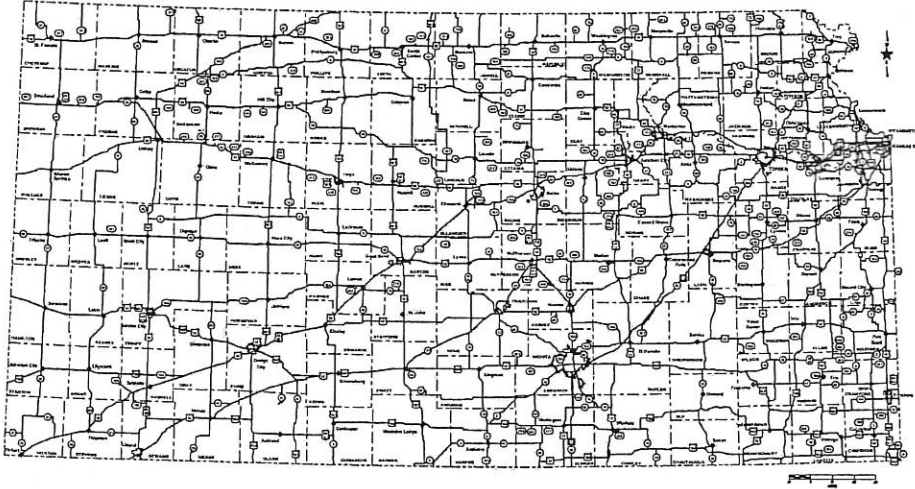


State and Local Transportation Systems Linked

- Physically linked
- Functionally linked



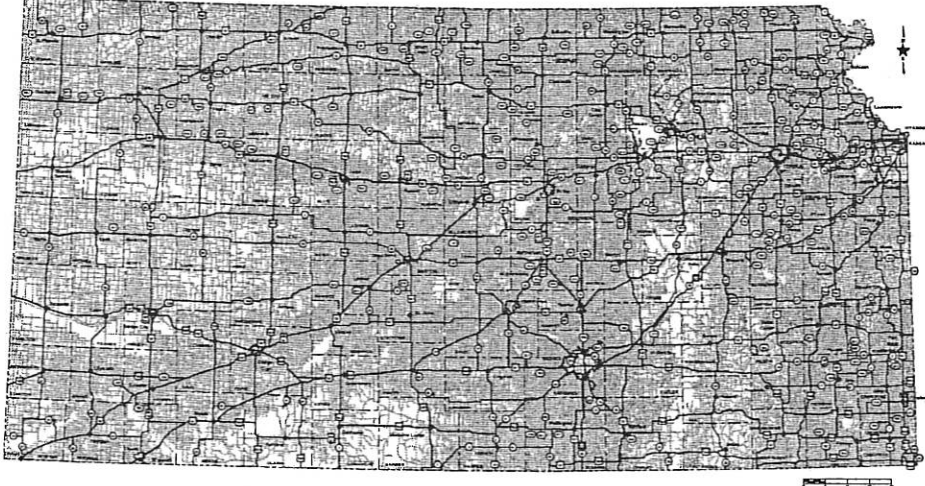
STATE OF KANSAS



STATE HIGHWAY SYSTEM: 8% (10,617 miles) of 135,035 Kansas Public Road Miles - 59% of total travel



STATE OF KANSAS



STATE HIGHWAY SYSTEM: 8% (10,617 miles) of 135,035 Kansas Public Road Miles - 59% of total travel
LOCAL ROAD SYSTEM: 92% (124,418 miles) of 135,035 Kansas Public Road Miles - 41% of total travel



Funding of the State Highway Funds (FY 2000-2009)

For every \$1 received:

32 Cents	Motor fuels tax
<u>25 Cents</u>	Federal funds
57 Cents	
12 Cents	Vehicle registration fees
11 Cents	Bonds
<u>10 Cents</u>	Sales tax direct deposit
33 Cents	
4 Cents	Local matching funds
4 Cents	Other (drivers license fees, etc.)
<u>2 Cents</u>	Sales tax transfer
10 Cents	



Your Tax Dollars Hard at Work Improving Transportation

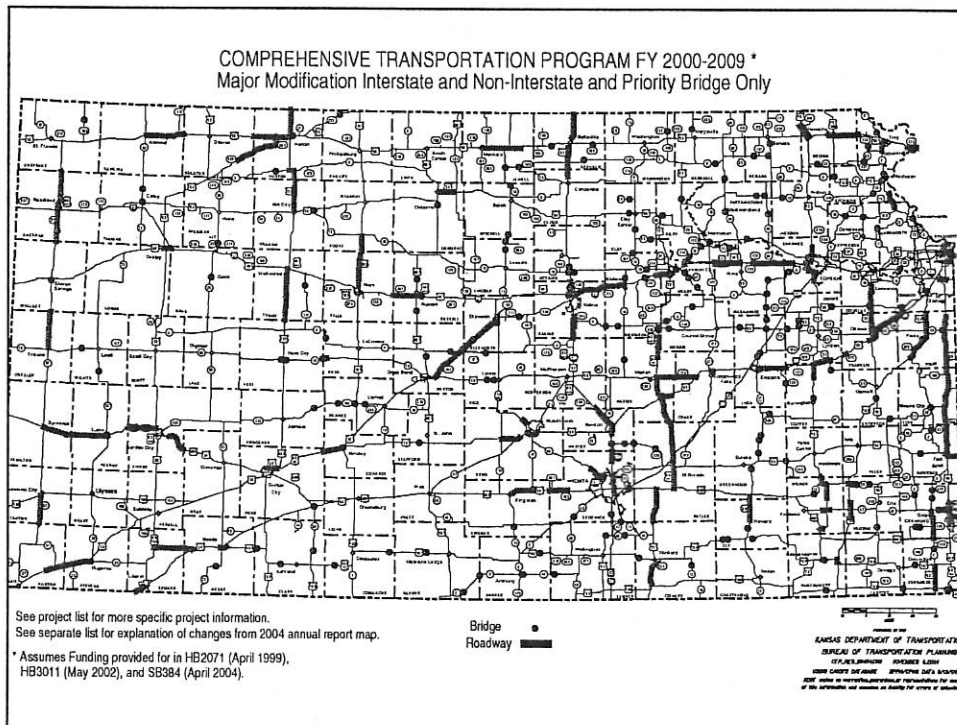
For every \$1 spent:

9 Cents	Routine maintenance
20 Cents	Local transportation programs
50 Cents	Highway construction (+design, ROW, etc.)
1 Cent	Rail, air, transit
9 Cents	Debt
<hr/>	
89 Cents	
6 Cents	KHP, KDOR, KDWP, + many others
5 Cents	Planning, management, buildings
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11 Cents	



Comprehensive Transportation Program Passed in 1999

- \$5.5 Billion State Highway Construction Program
- \$2.8 Billion Local Transportation Program





Economic Downturn

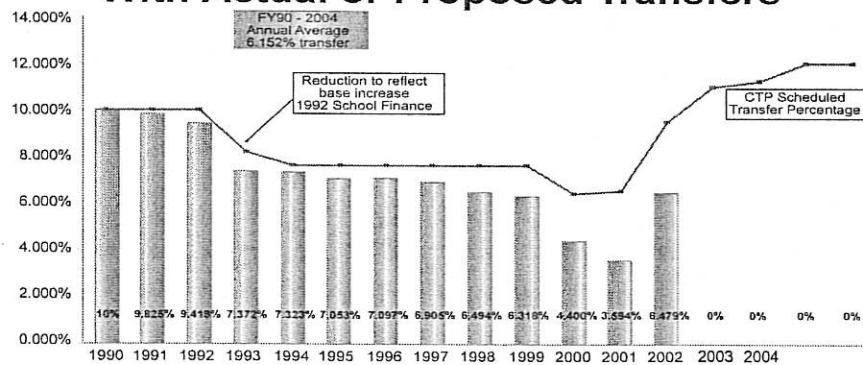
- Sales Tax Transfer Reductions

FY 2000	\$ 27.2 Million
FY 2001	\$ 39.2 Million
FY 2002	\$ 25.3 Million
FY 2003	\$146.6 Million
FY 2004	<u>\$156.0 Million</u>
	\$394.3 Million



Funding Was At a Crossroads in 2004

Sales Tax Transfer Statutory Rates With Actual or Proposed Transfers





Streamlined CTP By \$800 Million

- **Removed construction reserve from ending balance**
- **Reduced Transportation Revolving Fund**
- **Adjusted inflation/interest rates**
- **System Enhancement project savings**
- **Reduced future funds for set-aside projects such as railroad separations and pavement markings**



2004 Session Kept Promises: Restored Financial Integrity

- **Replaced sales tax transfer with sales tax direct deposit**
- **\$150 million State General Fund bonding**
- **Assumed \$250 million additional federal funds through 2009**



Funding Mix for the CTP Has Changed

FY 2000-2009 Totals

Source	Projected Makeup in 1999	Current Projection November 2004	Percent Change
Motor Fuels Tax	31.0%	32.0%	1.0
Federal Funds	22.2%	24.9% (Assumes \$250M additional)	2.7
Bonds	7.7%	11.2%	3.5
Vehicle Registration Fees	10.3%	11.6%	1.3
Sales Tax Direct Deposit (1/4 cent, then increased)	8.5%	10.4%	1.9
Other (driver license fees, etc.)	4.3%	4.5%	0.2
Sales Tax Transfer (percentage, then eliminated)	14.4%	1.6%	12.8
Local Matching Funds	1.6%	3.8%	2.2



The CTP Boosts the Kansas Economy

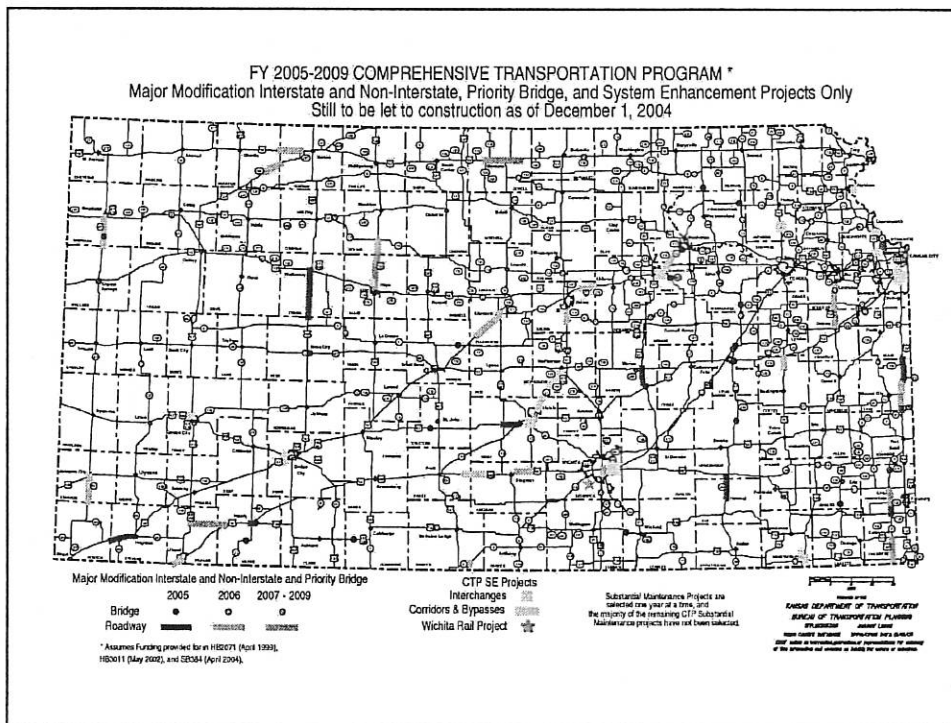


- Best public works/jobs program going
- CHP spending created or maintained 118,000 jobs and increased statewide income by \$1.4 billion
- Short-term impact \$2.60:\$1
Long-term impact \$3.00:\$1
- Have begun to study economic impact of CTP
- Bipartisan commitment to build projects



CTP Update – Highways

	Let to Construction Through December 2004	Left to Do 2005-2009
CTP Construction	\$2.9 billion	\$2.6 billion
Major Modification	1,217 miles	372 miles
Priority Bridges	203	52
Sub. Maintenance	8,697 miles	5,209 miles
Sys. Enhancement	11 projects (includes 4 PE only)	16 projects





CTP Update – Local System

	FY 00-04	FY 05-09
Special City County Highway Fund	\$763 M	\$775 M
KLINK Maintenance Payments	\$ 15 M	\$ 17 M
Pass-Through Federal Aid		
Construction Projects	\$446 M	\$386 M
ED/GI/KLINK Projects	\$ 84 M	\$119 M
Local Railroad Grade Separations	\$ 3 M	\$ 57 M
Aviation	\$ 13 M	\$ 16 M
Transit	\$ 52 M	\$ 67 M
Revolving Fund	\$ - M	\$ 25 M

KDOT Update



Now located at 700 SW Harrison
Eisenhower State Office Building



Other Important Issues

- **Other modes (rail, transit, aviation)**
- **800 MHz**
- **Highway fatality concerns**
- **KDOT Partnership Project**
- **KDOT streamlining, innovations, and improvements**