

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on February 27, 2008, in Room 514-S of the Capitol.

All members were present.

Committee staff present:

Alan Conroy, Legislative Research Department
 J. G. Scott, Legislative Research Department
 Reed Holwegner, Legislative Research Department
 Cody Gorges, Legislative Research Department
 Julian Efird, Legislative Research Department
 Heather O'Hara, Legislative Research Department
 Jim Wilson, Revisor of Statutes
 Nobuko Folmsbee, Revisor of Statutes
 Nikki Feuerborn, Chief of Staff
 Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Greg Valentine, Superintendent, Osawatomie State Hospital
 Heather Morgan, Juvenile Justice Authority (JJA)
 Carolyn Middendorf, Kansas State Nurses Association (KSNA)
 Glenn Deck, Executive Director, Kansas Public Employees Retirement System (KPERS)
 Deb Miller, Secretary, Department of Transportation (KDOT)

Others attending:

See attached list.

- Attachment 1 Fiscal Note for **HB 2673**
- Attachment 2 Testimony on **HB 2673** by Greg Valentine
- Attachment 3 Testimony on **HB 2673** by Heather Morgan
- Attachment 4 Testimony on **HB 2673** by Carolyn Middendorf
- Attachment 5 Budget Committee Report on Kansas Public Employees Retirement System (KPERS)
- Attachment 6 Update on Comprehensive Transportation Plan by Deb Miller

Introduction of Legislation

Representative Henry made a motion to introduce legislation relating to recovery for medical assistance and transfer of annuities. The motion was seconded by Representative Feuerborn. Motion carried.

Action on **HB 2919**

Action on HB 2919 - CURB; negotiation for contracts for professional services.

Representative Powell moved to recommend **HB 2919** favorably for passage and for placement on the consent calendar. The motion was seconded by Representative Gatewood. Motion carried.

Hearing on **HB 2673**

Hearing on HB 2673 - KPERS, employment after retirement, licensed professional nurses and licensed practical nurses employed at state institutions.

Julian Efird, Legislative Research Department, explained that it was the initiative of the 2005 Legislature to allow specific KPERS retirees to return to work for the same participating employees. The previous legislation allowed for an annual earnings limitation exemption for licensed

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 27, 2008, in Room 514-S of the Capitol.

professional and practical nurses employed in certain state institutions; however, the provision is set to sunset on June 30, 2008. **HB 2673** would remove the sunset date of June 30, 2008. In addition, the legislation would expand the exemption to a new group of licensed professional and practical nurses at the juvenile correctional facilities at Atchison, Beloit, Larned, and Topeka. Dr. Efirid noted that the employer is required to pay the actuarial employer contribution for these employees to the Kansas Public Employees Retirement System (KPERS).

Responding to a question from the Committee, Dr. Efirid stated that this legislation exempts the nurse retiree who is returning to work for the same employer from the earnings limitations of \$20,000 annually.

The fiscal note on **HB 2673** was distributed to the Committee (Attachment 1).

Greg Valentine, Superintendent, Osawatomie State Hospital, presented testimony in support of **HB 2673** (Attachment 2). Mr. Valentine stated that the legislation provides state hospitals with an additional resource to recruit and retain qualified and experienced nurses.

Heather Morgan, Director of Public and Legislative Affairs, Juvenile Justice Authority (JJA), presented testimony in support of **HB 2673** (Attachment 3).

Responding to a question from the Committee, Ms. Morgan stated that JJA would support an amendment to change the effective date of the legislation to "upon publication in the registry".

Carolyn Middendorf, Kansas State Nurses Association (KSNA), presented testimony in support of **HB 2673** and KSNA 's history of support of the legislation to allowing the nurses to return to employment after retirement (Attachment 4).

Glenn Deck, Executive Director, Kansas Public Employees Retirement Systems (KPERS) appeared as a resource person to answer questions concerning the effect of the legislation on KPERS.

The hearing on HB 2673 was closed.

Kansas Public Employees Retirement System (KPERS)

Representative Yoder, Chair of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas Employees Retirement System (KPERS) for FY 2008 and moved for the adoption of the Budget Committee recommendations for FY 2008 (Attachment 5). The motion was seconded by Representative Pottorff. Motion carried.

Representative Yoder, Chair of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas Public Employees Retirement System (KPERS) for FY 2009 and moved for the adoption of the Budget Committee recommendations for FY 2009 (Attachment 5). The motion was seconded by Representative Pottorff.

Representative Yoder made a substitute motion to add language to the Budget Committee report on the Kansas Public Employees Retirement System (KPERS) for FY 2009 by requesting the Budget Committee to review the possible inclusion of a cost-of-living-adjustment (COLA) for the most needy of KPERS retirees and review at Omnibus. The motion was seconded by Representative Tafanelli. Motion carried.

Representative Yoder renewed the motion to adopt the Budget Committee report on the Kansas Public Employees Retirement System (KPERS) for FY 2009 as amended. The motion was seconded by Representative Pottorff. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 27, 2008, in Room 514-S of the Capitol.

Update on Department of Transportation (KDOT)

Deb Miller, Secretary of the Department of Transportation (KDOT) presented an update on the Comprehensive Transportation Plan (CTP) (Attachment 6). Ms. Miller stated that the current CTP is approximately 90 percent completed or has projects under construction at this time. A major portion of the work will be completed in 2009.

Some of the highlights of Ms. Miller's testimony included:

- Delays have been caused by environmental issues, increased costs of construction.
- Fiscal crisis of funding for transportation projects at the federal level. It is estimated that the State could lose approximately \$100 - \$120 million of federal funding in FY 2009 with the same crisis in FY 2010.
- Need for major reform of the federal program.
- KDOT is using new technology to repair state highways such as NOVA chip which lasts longer and is less expensive.
- KDOT is allowing for alternate bids on the use of either asphalt or concrete in construction projects.
- The Department is reviewing long-range plans for preservation of the state highway system

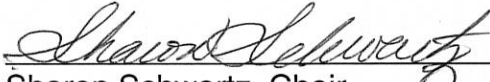
Responding to questions from the Committee, Ms. Miller stated that currently the federal tax on a gallon of gasoline is 18.4 cents per gallon and Kansas state tax is 24 cents per gallon. The Department of Transportation has a number of vacancies for engineers. These vacancies are being reviewed to determine if an engineer is really needed for the position. The Department will aggressively recruit at the state universities to meet the challenge for employees. The Department is looking for alternate technology for construction and the repair of roads with more durable materials that will last longer and making them more safe. Ms. Miller indicated that a new transportation plan will be presented to the 2009 Legislature. The Department will work to identify various sources of funding.

Since the loss of a state highway worker in 2007, the Department has worked to make work zones safer for workers as well as drivers. In addition, the Department is working with school districts where schools are built next to a busy highway or those districts who anticipate constructing new buildings along busy roads and highways. Ms. Miller noted that surveys do not show that education alone is a deterrent to speeding in a highway work zone; however, increased fines do have an impact.

Approval of Minutes

Representative Tafanelli made a motion to approve the minutes of February 18, February 19 and February 20, as written. The motion was seconded by Representative Bethell. Motion carried.

The meeting was adjourned at 10:45 a.m. The next meeting of the Committee will be held at 9:00 a.m. on March 5, 2008.


Sharon Schwartz, Chair

House Appropriations Committee

February 27, 2008

9:00 A.M.

NAME	REPRESENTING
Carolyn Maddenday	Ks St Us Court
Nate Michel	Hein Law Firm
Jane Carter	KOSE
John Kirk	DDB
Waldy Malinowski	KAPA - KMCA
KEVIN GREGG	KMCA
MARK BOZANYAK	Capitol Strategies
Tom Whitaker	KMCA
Heather Morgan	SJA
Glenn Deck	KDERS
GREG VALENTINE	SRS
Debra Stidham	SRS
Dust-Hardison	SRS
TERRY FORSYTH	KNEA
Bill Brady	KALISA
Dan Springs	Curh
Michael Hooper	Keimmy
Scott Heider	ACEE KS
Laquelyn Kerk	Kansas, Inc.
Chad Austin	KMA
Marci Fernell	KDOT
Deb Miller	KDOT

February 11, 2008

The Honorable Sharon Schwartz, Chairperson
House Committee on Appropriations
Statehouse, Room 517-S
Topeka, Kansas 66612

Dear Representative Schwartz:

SUBJECT: Fiscal Note for HB 2673 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2673 is respectfully submitted to your committee.

Under current law, if a KPERS retiree returns to work with the same employer from where he or she retired, the retiree's annual earnings are limited to \$20,000. If the retiree earns more than that amount, the retiree must stop working to continue receiving KPERS retirement benefits, or continue working and have benefit payments suspended for the remainder of the calendar year. Current law has an annual earnings limitation exemption for licensed professional and practical nurses employed in certain state institutions, including Osawatomie State Hospital, Rainbow Mental Health Facility, Larned State Hospital, Parsons State Hospital, Kansas Neurological Institute, the Kansas Soldiers' Home, and the Kansas Veterans' Home. Each of these institutions are required to pay the actuarial employer contribution rate to KPERS for each nurse who returns to work under this exemption. This provision is set to sunset on June 30, 2008.

HB 2673 would remove the sunset date of June 30, 2008, and would expand the exemptions to a new group of licensed professional and practical nurses at the juvenile correctional facilities at Atchison, Beloit, Larned, and Topeka. The bill does not, however, alter the requirement that employers that hire retirees under this provision are required to pay the actuarial employer contribution to KPERS.

According to KPERS, enactment of HB 2673 would have a negligible fiscal effect on KPERS with the assumption that the number of members retiring and returning to work under the exemption would not increase significantly beyond historical levels. KPERS report that during calendar year 2007, eligible institutions had 17 retirees returning to work with six retirees earning over the \$20,000 threshold.

The Honorable Sharon Schwartz, Chairperson
February 11, 2008
Page 2—2673

If any of the newly exempted employers would choose to hire a KPERS retiree, the agency would have to pay the actuarial rate for the returning worker to KPERS, which is currently 6.99 percent for FY 2008. For other state agencies, the comparable KPERS contribution rate is 6.37 percent. The number of retirees who would be hired under HB 2673 cannot be estimated. Any fiscal effect resulting from the passage of HB 2673 has not been accounted for in *The FY 2009 Governor's Budget Report*.

Sincerely,



Duane A. Goossen
Director of the Budget

cc: Faith Loretto, KPERS

1-2

Kansas Department of
Social and Rehabilitation Services
Don Jordan, Secretary



House Appropriations Committee

February 27, 2008

HB 2673 – RN KPERS Exemption for Hospitals

Osawatomie State Hospital
Greg Valentine, Superintendent

For Additional Information Contact:
Dustin Hardison, Director of Public Policy
Docking State Office Building, 6th Floor North
(785) 296-3271

HOUSE APPROPRIATIONS

DATE 2-27-2008
ATTACHMENT 2

HB 2673 – RN KPERS Exemption for Hospitals

House Appropriations Committee February 27, 2008

Chairwoman Schwartz and members of the Committee, I am Greg Valentine, Superintendent of Osawatomie State Hospital. Thank you for the opportunity to appear before you today to discuss HB 2673.

This bill amends K.S.A. 2007 Supp. 74-4914 which allows retired registered nurses (RN's) who return to work in state institutions an exemption from salary limits, so that they may receive KPERS retirement benefits. SRS supports HB 2673 because it removes the exemption's sunset date of June 30, 2008.

Under K.S.A. 2007 Supp. 74-4914, Larned State Hospital, Osawatomie State Hospital and Rainbow Mental Health Facility have employed 19 retired RN's since July 1, 2005. Today we have 11 retired RN's on staff in these institutions. These RN's represent 6 % of the 177 total nurses currently employed by the three state mental health hospitals.

The average hourly rate for an RN is \$22.29. At that rate of pay, the average RN has to work about 897 hours, or 22 weeks, before reaching the \$20,000 maximum allowed by statute.

SRS supports HB 2673, as it provides state hospitals with an additional resource to recruit and retain qualified and experienced nurses. A retired RN returning to work can be placed immediately into the staff rotation and provide immediate direct patient care. Experienced nurses already possess a working knowledge of the hospital and nursing policies which can improve continuity of care for the patients. In contrast, a nurse without prior experience must undergo a required six week orientation, be assigned to a mentor, and have one year of nursing experience to become a Registered Nurse Senior.

New nursing standards have exacerbated the statewide nursing shortage. As of October 2007, a new graduate from nursing school cannot practice nursing until he or she has passed the state nursing board and obtained their license. This change in practice has eliminated the hospital's ability to recruit RN's directly out of nursing schools.

The state hospitals are in strong competition for Registered Nurses. Because mental health nursing is a specialty and the ability to recruit directly out of nursing schools has been eliminated, our mostly rural state hospitals remain challenged to recruit and retain well qualified, experienced RN's. HB 2673 gives our state hospitals one additional resource to meet that challenge.

I would be glad to stand for any questions from the Committee.

HB 2673- KPERS Exemption for Professional and Practical Nurses

House Appropriations Committee

Submitted by: Heather Morgan, Director of Public and Legislative Affairs

February 27, 2008



J. Russell Jennings
Commissioner
785-296-0042
rjennings@ksjja.org

Heather Morgan
Director of Public and Legislative Affairs
785-296-5543
hmorgan@ksjja.org

HOUSE APPROPRIATIONS

DATE 2-27-2008
ATTACHMENT 3

JJA urges your support of HB 2673. This bill would provide JJA the option to possibly retain licensed professional and practical nurses who have retired from the state system by waiving the KPERS income requirement. Currently, if a nurse retires from the state, and wanted to return to work, their earnings would be limited to \$20,000. If the nurse earned more than that amount, their KPERS benefits would be suspended for the remainder of the year. This income limitation has already been waived for the SRS Mental Health Facilities and for the State Veterans Homes. HB 2673 would allow JJA nurses to be afforded the same income waiver that is currently offered to SRS and Veterans nurses.

While JJA has very few nurses compared with the other agencies, we believe it would be beneficial to be able to offer this incentive as a recruiting tool to attract retiring nurses. Working as a nurse in a juvenile correctional facility is a very difficult job. We often have a trouble recruiting and hiring nurses who are willing to work in this environment. JJA hopes HB 2673 would allow the agency more flexibility and another tool to recruit nurses into these very difficult to fill positions.

JJA understands that as a result of HB 2673 there would be a small fiscal effect, because the juvenile correctional facilities would be required to pay the actuarial employer contribution rate to KPERS for each nurse who returns to work under this exemption. JJA believes this fiscal impact would be minimal as JJA only employees 8 nurses across all of the juvenile correctional facilities. Any additional cost associated with hiring a nurse who would seek this exemption could be absorbed within existing resources. Thank you for your favorable consideration of HB 2673.



1109 SW TOPEKA BLVD
 TOPEKA, KANSAS 66612
 785.233.8638 FAX 785.233.5222
 WWW.NURSINGWORLD.ORG/SNAS/KS
 KSNA@KSNA.NET



SUSAN BUMSTED, M.N., R.N.
 PRESIDENT

THE VOICE AND VISION OF NURSING IN KANSAS

TERRI ROBERTS, J.D., R.N.
 EXECUTIVE DIRECTOR

*For More Information Contact:
 Terri Roberts J.D., R.N., Executive Director
 785.233.8638 troberts@ksna.net*

**H.B. 2673 ADDS STATE JUVENILE FACILITY RN'S TO THE LIST OF OTHER STATE
 EMPLOYED RN'S EXEMPT FROM KPERS \$20,000 EARNING LIMITATION, AND REMOVES
 JUNE 30, 2008 SUNSET PROVISION
 February 27, 2008**

Representative Schwartz and members of the House Appropriations Committee, my name is Carolyn Middendorf, M.N., R.N., and I am here representing the KANSAS STATE NURSES ASSOCIATION (KSNA). KSNA is the professional organization for Registered Nurses in the state; we are a voluntary membership organization. There are over 29,700 RN's licensed in the state of Kansas, with about 82% of them employed part-time or full-time. KSNA is in support of H.B. 2673, which would permanently preserve the exemption for RN's from the \$20,000 KPERS earnings limitations when they return to work at a state institution. This bill does two things: it adds state juvenile facilities to the list of where the returning RN's can work and it removes the sunset provision of June 30, 2008. The bill makes technical changes by referencing two statutes describing these two categories of state institutions instead of listing them out specifically. Those two statutes are: KSA 76-12a01 (b) and 38-2302 (f) (Below).

NURSING SHORTAGE STATISTICS

Kansas currently is experiencing a nursing shortage projected to last through at least 2010, unless trends are reversed. Registered Nurse vacancies statewide are at 7.1% and in acute care hospitals the rate is 8.2%. The State of Kansas Department of Labor forecasts nursing in the top of professions with the largest growth in demand and in new positions through 2012.

We know that at least 17 RN's were used in 2007 by state institutions that met this criteria. Eliminating the cap has assisted state institutions in addressing their current nurse staffing needs. Thank you for this opportunity to address the committee.

HISTORY/BACKGROUND

Attached is a history of the KANSAS STATE NURSES ASSOCIATION's support for this issue since 2002.

NOTES:

76-12a01. Definitions. As used in this act, unless the context otherwise requires:

(b) "Institution" means the following institutions: Osawatomie state hospital, Rainbow mental health facility, Larned state hospital, Parsons state hospital and training center, and Kansas neurological institute.

38-2302. Definitions. As used in this code, unless the context otherwise requires:

(f) "Institution" means the following institutions: the Atchison juvenile correctional facility, the Larned juvenile correctional facility, the Topeka juvenile correctional facility and the Kansas j
THE MISSION OF THE KANSAS STATE NURSES ASSOCIATION IS TO PROMOTE PROFESSIONAL NURSING
 NURSING IN KANSAS AND TO ADVOCATE FOR THE HEALTH AND WELL-BEING OF
 CONSTITUENT OF THE AMERICAN NURSES ASSOCIATION.

HOUSE APPROPRIATIONS

DATE 2-27-2008
 ATTACHMENT 4

KSNA History of Support of Legislation to Eliminate KPERS Earnings Limitations

2002

In 2002, KSNA supported S.B. 530 which provided statutory language applying to RN's employed by SRS facilities. It would "exempt licensed nurses who return to work at certain state institutions from a statutory \$15,000 limit on salary earnings if retired from KPERS and returning to work for a state agency."

After the hearing at which KSNA provided supporting testimony, the Senate Ways and Means Committee KPERS Subcommittee amended the bill to include a three-year sunset provision, and specifically spelled out those institutions that would qualify.

The Senate Ways and Means Committee passed S.B. 530, but it was never put on General Orders in the Senate for Committee of the Whole debate.

2003

On February 24, 2003, KSNA gave testimony in support of H.B. 2127, citing a state nursing shortage projected to last through at least 2010 unless trends were reversed. KSNA Executive Director Terri Roberts pointed out in her testimony that this bill would have provided a reduction in training and orientation costs for specialty nursing practices (such as those needed to serve the special populations served in the five SRS facilities), by leading to an increase in the number of previously-employed nurses returning to their workplace. She also pointed out the disadvantage at which the current regulations place institutions covered by KPERS, from a recruitment perspective, if a retired RN returning to the workforce does not wish to be limited to the \$15,000 earning restriction, and so seeks another employer.

H.B. 2127, KPERS Earnings Limitations Eliminated for RNs, was introduced and heard in 2003 by the House Tax, Judicial, Transportation, and Retirement Budget Committee, but it did not progress during the legislative session.

2004

On March 19, 2004, KSNA gave testimony in support of H.B. 2517, which would have lifted the \$15,000 earnings limitations from KPERS-eligible employees returning to work in the same facilities or institutions, and put a three-year sunset on the KPERS restriction lift.

This bill was introduced as a result of 2003 Interim discussions about hard-to-fill positions in the fields of teaching and nursing.

KSNA Legislative Chair Carolyn Middendorf made points similar to those made in 2003, specifically regarding the nursing shortage in the state, and the advantages accruing to state facilities if permitted to re-hire retired nurses without the earnings-cap restriction.

H.B. 2517 was introduced and referred to the Select Committee on Pensions in January, and was heard in March, but it did not progress during the legislative session.

2005

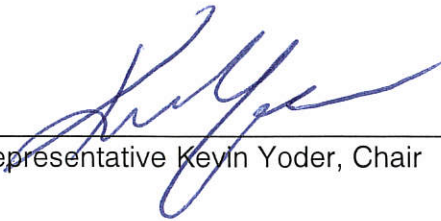
H.B. 2379 Suspension of Earnings Limitations for Retirees of KPERs was introduced and passed with a sunset provision, effective June 30, 2008.. KSNA testified in support of this bill on February 17, 2005. This bill eliminated the \$20,000 KPERs (the amount had been changed in other legislation) earning limitation for RN's returning to work at one of the state institutions--Larned, Osawatomie, Parsons, KNI, Rainbow , and the Veterans Commission Homes. KSNA supported this legislation and had been working on securing it for four years.

FY 2008 and FY 2009

HOUSE GENERAL GOVERNMENT BUDGET COMMITTEE

Kansas Public Employees Retirement System (KPERs)

February 26, 2008




Representative Kevin Yoder, Chair




Representative Rocky Fund

Representative Kasha Kelley, Vice-Chair

Representative Annie Kuether



Representative Harold Lane,
Ranking Minority Member



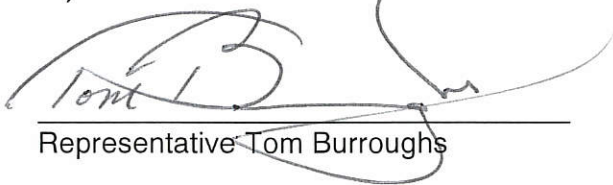
Representative JoAnn Pottorff



Representative Virginia Beamer



Representative Charles Roth



Representative Tom Burroughs

HOUSE APPROPRIATIONS

DATE 2-27-2008
ATTACHMENT 5

House Budget Committee Report

Agency: Kansas Public Employees Retirement System **Bill No.**

Bill Sec.

Analyst: Efird

Analysis Pg. No.

Budget Page No. 253

<u>Expenditure Summary</u>	<u>Agency Estimate FY 08</u>	<u>Governor's Recommendation FY 08</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 10,214,217	\$ 10,214,217	\$ (621,700)
Other Funds	44,395,731	44,395,731	0
Subtotal - Operating	<u>\$ 54,609,948</u>	<u>\$ 54,609,948</u>	<u>\$ (621,700)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 54,609,948</u></u>	<u><u>\$ 54,609,948</u></u>	<u><u>\$ (621,700)</u></u>
FTE Positions	86.3	86.3	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>86.3</u></u>	<u><u>86.3</u></u>	<u><u>0.0</u></u>

Agency Estimate

The agency's revised estimate of \$54.6 million, including \$10.2 million from the State General Fund. The revised estimate includes an increase of 1.0 FTE position and \$1.2 million, all from special revenue funds, in reportable expenditures from the approved amount, primarily for fees paid to investment managers and carryover for a computer project. A transfer moved the State Deferred Compensation Program with administrative costs of \$138,755, all from special revenue funds, and 1.0 FTE to KPERS from the Department of Administration.

Governor's Recommendation

The Governor concurs with the revised FY 2008 estimate of \$54.6 million, including \$10.2 million from the State General Fund. The transfer of 1.0 FTE position and \$138,755, all from special revenue funds, is recommended by the Governor for the State Deferred Compensation Plan.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation, with the following adjustment:

1. Lapse \$621,700, all from the State General Fund, of \$7.0 million in financing for the \$300 one-time lump-sum payment approved by the 2007 Legislature. The agency reports that after 21,261 payments have been made to eligible state and school retirees and beneficiaries, the balance remaining in the account of \$621,700 can be lapsed. A total of \$6,378,300, all from the State General Fund, was paid by KPERS to eligible state and school retirees and beneficiaries under provisions of the 2007 legislation. For retirees and beneficiaries of local units of government, KPERS paid 6,508 eligible members a total of \$1,952,400, all from the KPERS Trust Fund (to be repaid by a contribution increase for local units). For disability benefit recipients who were eligible, KPERS paid \$212,700 from the Death and Long-Term Disability Benefits Fund. In total, there were 28,478 eligible recipients of the \$300 one-time bonus payment, with a total cost of \$8,543,400 paid by KPERS in FY 2008.

beneficiaries. The Governor also recommends funding the implementation costs of 2007 SB 362 with \$228,000, all from special revenue funds.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's FY 2009 recommendation, with the following adjustments:

1. **Pay Plan Adjustments.** Delete \$212,246, all from special revenue funds, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$122,387, all from special revenue funds, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.
 - b. **Classified Employee Pay Plan.** Delete \$51,709, all from special revenue funds, to remove the amount recommended by the Governor for FY 2009 pay increases for basic vocational classes and for those employees identified as having the most disparity relative to market rate.
 - c. **Longevity Pay.** Delete \$38,150, all from special revenue funds, to remove the amount recommended by the Governor for longevity bonus payments.
2. **COLA Funding.** Delete \$6,400,000, all from the State General Fund, to remove the amount recommended by the Governor for a 1.0 percent post-retirement benefit adjustment in FY 2009 and review the Governor's COLA proposal during Omnibus. The Budget Committee also recommends deleting \$13.1 million in FY 2010 and \$20.2 million in FY 2011, all from the State General Fund, for review of the Governor's COLA proposal during Omnibus.
3. **Bond Funding.** Delete \$3,210,948, all from the Expanded Lottery Act Revenues Fund (ELARF), and add \$3,210,948, all from the State General Fund, for bond payments, with a review during Omnibus of the status of ELARF revenue. The Budget Committee would note that the State General Fund (SGF) makes the initial bond payments during the fiscal year, KPERS collects employer contributions throughout the fiscal year for the purpose of reimbursing the SGF, and will transfer a reimbursement equal to the initial SGF payment by the end of the fiscal year. The Governor's recommendation to use ELARF financing also would have maintained the SGF reimbursement transfer in FY 2009 from the KPERS Trust Fund of the monies collected for bond payments. Since monies in the KPERS Trust fund are intended for the exclusive benefit of its members, the Budget Committee expresses concern that the Governor's proposal could have the effect of diverting monies collected for a lawful purpose (reimbursement of the SGF for bond payments) and would enhance revenues to the State General Fund if ELARF had been used to make bond payments.
4. **New Staffing.** Add \$86,713, all from special revenue funds, and 2.0 FTE positions for an enhancement requested by the agency but not included in the Governor's recommendation. The Budget Committee believes that the increasing

workload for KPERS staff as the baby boomers begin retiring in larger numbers each year require additional staffing to assist members with retirement. The following table illustrates the growing work load for KPERS:

Projected Increase in Retirees

<u>Fiscal Year</u>	<u>Net New Retirees</u>	<u>Retirees at End of Year</u>
2006	2,417	65,765
2007	2,121	67,886
2008	2,190	70,076
2009	2,261	72,337
2010	2,333	74,670

CTP Status & Agency Update

Secretary Deb Miller

House Appropriations Committee
Wednesday, February 27, 2008



Kansas Transportation: From the CTP to the future

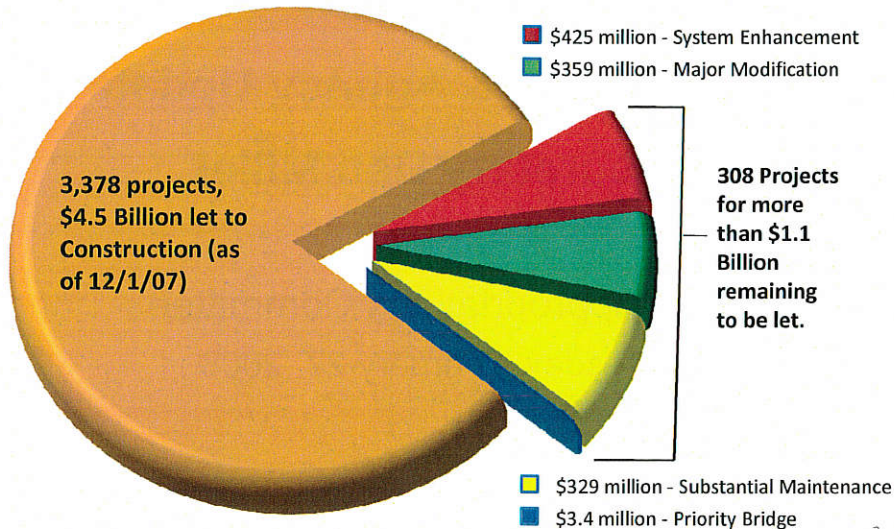
- **Near Term**
 - CTP is nearing completion
 - Looming federal funding issue
 - Costs continue to increase
 - Cost effective solutions
 - Reduced construction program

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HOUSE APPROPRIATIONS

DATE 2-27-2008
ATTACHMENT 6

CTP Update: all projects will be underway



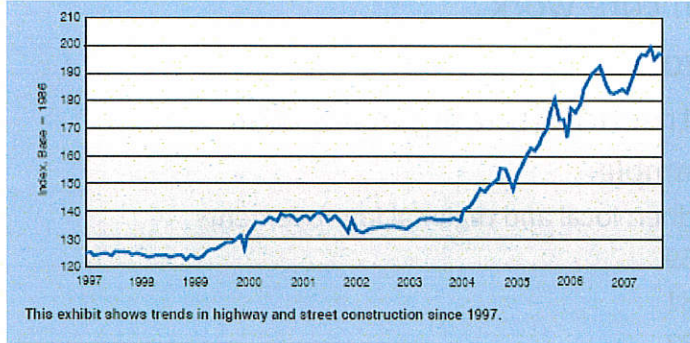
Looming Federal Funding Issue

If Congress Doesn't Address Highway Trust Fund Shortfall:

- Possible reduction to Kansas in FFY 2009 estimated \$100 to \$120 million
- Shortfall continues in 2010 and beyond
- Shortfall cancels or delays state and local projects further into the future

Rising Costs

- Highway and Street Construction Costs, 1997-2007



Source: Bureau of Labor Statistics.

- Since 2004, the CPI has increased by average of 2.5% per year
- Construction Costs have risen by 8 to 9 % annually in recent years.

5

Cost Effectiveness

- NOVA Chip
- Practical Improvements
- Examining Performance Targets

6

6-3

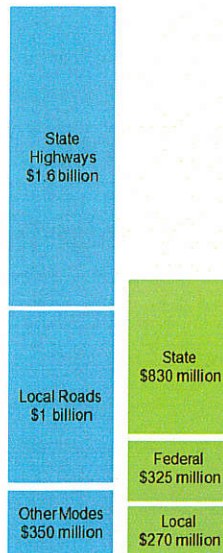
FY 2010 and beyond

- Focus on core work
- Other work in the planning pipeline – no construction funding available
 - For example:
 - Gardner: local and regional improvements
 - US-69
 - US-81
 - US-83
 - K-27
 - I-135/KTA/47th St.

7

Statewide needs and revenues

**TOTAL
Needs
\$2.9 billion**



**TOTAL
Revenues
\$1.4 billion**

8

6-4

Questions?



KANSAS
DEPARTMENT OF TRANSPORTATION

REMAINING CTP PROJECT LISTING

The following projects are listed by the fiscal year they will be let and in alphabetical order by county. If no route number is listed, then that work is not being done on the state highway system.

It should be noted that some of the larger remaining CTP projects will be completed in segments, and some of that work will be phased with the grading and surfacing work to be separated into two lettings.

This list is the planned letting schedule as of November 1, 2007. The schedule is subject to change should delays be encountered in the securing of right-of-way, relocating utilities, and in obtaining environmental clearances.

FISCAL YEAR 2008

Major Modification:

These projects occur on Interstate and Non-Interstate routes, and are designed to improve the service, comfort, capacity, condition, economy, or safety of an existing highway system. Interstate projects consist of resurfacing, restoring, rehabilitating and reconstructing pavement. Non-Interstate projects consist of widening lanes, adding shoulders, improving alignment or reconstructing pavement. All Major Modification projects are selected by the Priority Formula, which ranks roadway sections and bridges for improvement based on the seriousness of their deficiencies.

<u>Route</u>	<u>County</u>	<u>Location</u>	<u>Miles</u>	<u>Construction Estimate \$ Millions</u>
US-75	Coffey	From approximately 4 miles south of Beto Junction, south 1.1 mile	1.1	3.1
US-183	Ellis	From the Junction 55th Street north to Ellis-Rooks county line	15.3	13.3
US-36	Jewell	From Mankato east to about 3.5 miles east of Montrose	8.7	6.5
I-35	Johnson	Olathe: The interchange of I-35 & 159th Street & Lone Elm Rd		40.9
TOTAL				\$ 63.8

November 1, 2007

System Enhancement

These projects are designed to relieve congestion, improve access, enhance economic development, or improve safety on major segments of the state highway system. Cities and Counties submitted their project applications in three basic categories: corridor improvements, bypass construction, and interchange improvements. Projects are selected based on engineering and safety factors. A project's local funding match, potential to remove lane-miles from the state highway system, and stage of development (it could have been partially complete) were also considered in the selection process.

<u>Route</u>	<u>County</u>	<u>Location</u>	<u>Miles</u>	Construction Estimate <u>\$ Millions</u>
US-400	Ford	Bypass: From US-50/50B, southeast to Junction US-56/283 -west of Dodge City	2.5	26.9
I-70	Geary	Junction City: The Interchange at exit 298 and E Street	0.0	<u>0.6</u>
TOTAL				\$ 27.5

Priority Bridge

These projects replace or rehabilitate bridges to address deficiencies in terms of load carrying capacity or width. Bridges that are deemed to be of the highest relative need through the Bridge Priority Formula are programmed first within available funding and based on scheduling considerations. Special consideration is given to replacing one-lane bridges, restricted vertical clearance bridges, and cribbed bridges (bridges with temporary structural supports to keep them in use).

<u>Route</u>	<u>County</u>	<u>Location</u>		Construction Estimate <u>\$ Millions</u>
US-59	Douglas	At Wakarusa River Drainage, 6 miles north of Junction US-56		<u>0.8</u>
TOTAL				\$ 0.8

Geometric Improvement

These projects are on city connecting links (city streets that connect two portions of rural state highway) that widen lanes, improve or build curb and gutter sections and/or improve roadway alignments. The minimum local match ranges from 0 to 25 percent, and the maximum state share ranges from \$700,000 to \$950,000. Cities annually submit requests for projects, which are presented to the Highway Advisory Commission. The Commission then recommends a set of projects to the Secretary of Transportation, who makes the final decision.

<u>Route</u>	<u>County</u>	<u>Location</u>	<u>Miles</u>	<u>Construction Estimate \$ Millions</u>
US-281	Barton	Hoisington: From 3rd Street to 6th Street	0.2	1.0
K-254	Butler	El Dorado: From School Road to Haverhill Road	0.0	0.9
US-69	Cherokee	Columbus: north side of railroad crossing to Maple Street.	0.5	1.6
K-126	Crawford	Pittsburg: Intersection of K-126 & Rouse Avenue	0.1	1.0
US-56 B	Dickinson	Herrington: At Lime Creek Bridge east to Broadway on US-56B (Trapp St)	0.2	0.4
K-10	Douglas	Lawrence: The Intersection of K-10(23rd) & Harper Street	0.1	0.2
US-83 B	Finney	Garden City: Arkansas River Bridge to near Carter Drive	0.2	0.4
US-50	Gray	Cimarron: From just east of 7th Street to about ¼ mile east of Cimarron	0.2	0.8
K-27	Greeley	Tribune: From Newton Street to Harper Street	0.2	0.6
K-96	Lane	Dighton: Seventh Street to First Street	0.4	1.0
US-73	Leavenworth	Leavenworth: The Intersection of US-73/K-7 & 18th Street	0.7	5.4
US-73	Leavenworth	Leavenworth: Intersection of US-73/K-7 & 10 th Street	0.1	0.3
US-50	Lyon	Emporia: Intersection of US-50 & Graphic Arts Road	0.1	1.7
US-56	McPherson	McPherson: From Ash Street to ½ block west of Cherry Street	0.2	1.6
US-81 B	McPherson	Lindsborg: From K-4 to Swenson Street	0.7	0.7
US-24	Pottawatomie	Manhattan: The intersection of US-24 & entrance to Manhattan Town Center	0.1	0.1
US-36	Rawlins	Atwood: US-36/K-25 Intersection east to 7 th Street	0.4	1.4
K-14	Rice	Lyons: The intersection of K-14/96 & American Road	0.0	0.1
US-54	Seward	Liberal: Northeast of US-54/US-83/2nd Street/Bluebell Junction	0.2	0.4
US-24	Shawnee	Rossville: Cross Creek Bridge to east city limits and Orange Street Intersection	0.2	1.0
K-23	Sheridan	Hoxie: From Utah Avenue north to Queen Avenue	0.3	0.7
US-24 B	Sherman	Goodland: The Intersection of US-24B & Cherry Street	0.2	0.3
			TOTAL	\$ 21.6

Economic Development

These highway and bridge construction projects will enhance the surrounding area's economy. Cities and Counties, which are responsible for 25 percent of the project's funding, submit applications annually to KDOT. Eligible projects include those that have the potential to significantly enhance the income, employment, sales receipts, and land values in the surrounding area. The Highway Advisory Commission, with help from KDOT staff and the Kansas Department of Commerce, recommends a set of projects to the Secretary of Transportation, who makes the final decision.

<u>Route</u>	<u>County</u>	<u>Location</u>	<u>Miles</u>	<u>Construction Estimate \$ Millions</u>
K-20	Brown	From Intersection K-20 & Falcon Road, east 3 miles to US-75/ K-20 Junction	0.2	1.6
K-10	Douglas	Lawrence: access point consolidation between US-59 (Iowa Street) east to Louisiana Street	--	0.6
K-156	Hodgeman	From the intersection about 8 miles west of Jetmore (includes intersection realignment and improvement)	1.1	0.9
	Johnson	On Moonlight Road from Madison Street north to Prairie Village Drive	0.7	4.0
	Miami	Paola: Industrial Park Drive from Hospital Drive east about ¼ of a mile	0.3	0.9
	Montgomery	Coffeyville: Cline Road between US-166 & 8 th	0.2	1.0
US-166	Montgomery	Coffeyville: Sycamore Creek Bridge		0.4
	Reno	Halstead Street from 4th Avenue to 11th Avenue	0.4	2.0
	Shawnee	Topeka: MacVicar Avenue, I-70 eastbound exit to Outer Circle D	0.8	4.7
	Shawnee	Topeka: Kansas Avenue Extension from 37 th Street to Topeka Boulevard	0.5	3.7
TOTAL				19.8

Local Railroad Grade Separation

These projects improve highway/railroad crossings on and off the state highway system. Cities and Counties are responsible for 10 to 20 percent of the project funds depending on the area's population. KDOT's priority formula hazard index, which is based on railroad and highway operational characteristics, was used to select projects. Special consideration was given to projects that provide higher rates of local match in order to leverage state dollars. In addition, consideration was given to the positive effects on communities the projects are expected to have.

<u>Route</u>	<u>County</u>	<u>Location</u>	<u>Construction Estimate \$ Millions</u>
	Cowley	Arkansas City: BNSF railroad crossing at Kansas Avenue	5.0
	Miami	Miami County: BNSF railroad crossing at 223 rd Street in Miami County	3.9
TOTAL			\$ 8.9

FISCAL YEAR 2009

Major Modification:

These projects occur on Interstate and Non-Interstate routes, and are designed to improve the service, comfort, capacity, condition, economy, or safety of an existing highway system. Interstate projects consist of resurfacing, restoring, rehabilitating and reconstructing pavement. Non-Interstate projects consist of widening lanes, adding shoulders, improving alignment or reconstructing pavement. All Major Modification projects are selected by the Priority Formula, which ranks roadway sections and bridges for improvement based on the seriousness of their deficiencies.

<u>Route</u>	<u>County</u>	<u>Location</u>	<u>Miles</u>	<u>Construction Estimate \$ Millions</u>
US-56	Barton	Great Bend: McKinley Street east to Washington Street	1.0	4.5
US-59	Douglas/Franklin	From Ottawa north about 19 miles		
		<ul style="list-style-type: none"> • Phase 1: Grading and bridge work from I-35 northeast of Ottawa, north to the Franklin-Douglas County line – Let in FY 2007 • Phase 2: Surfacing work to be let in FY 2009 (same location as Phase 1) • Phase 3: Grading and bridge work from Franklin-Douglas county line north 11 miles to be let in FY 2009 • Phase 4: Surfacing work to be let in FY 2010 (same location as Phase 3) 	-	40.9
	Franklin			
	Douglas		7.6	47.3
	Douglas		-	31.0
US-160	Meade	From Seward-Meade county line, east to west junction US-54	3.8	4.0
US-160	Seward	From the south junction US-83, east to Seward-Meade county line	12.9	13.1
K-18	Riley	From the Geary-Riley county line northeast to south of Walnut Street in Ogden. (Includes a new interchange at 12th Street)		33.2
I-135	Sedgwick	Wichita: From Pawnee Street north to the beginning of the viaduct in Wichita		<u>19.9</u>
			TOTAL	193.9

System Enhancement

These projects are designed to relieve congestion, improve access, enhance economic development, or improve safety on major segments of the state highway system. Cities and Counties submitted their project applications in three basic categories: corridor improvements, bypass construction, and interchange improvements. Projects are selected based on engineering and safety factors. A project's local funding match, potential to remove lane-miles from the state highway system, and stage of development (it could have been partially complete) were also considered in the selection process.

<u>Route</u>	<u>County</u>	<u>Location</u>	<u>Miles</u>	<u>Construction Estimate \$ Millions</u>
US-59	Atchison	Corridor: Amelia Earhart Bridge over Missouri River and the approach	3.7	32.5*
US-50	Finney	Corridor: from Kearney-Finney county line, east to north junction US-83	12.0	66.9
US-54	Kingman/Pratt	From 1 mile east of Cairo to 6 miles east of the Kingman-Pratt county line. As part of an extensive public involvement process, communities requested that the environmental clearance and design work be completed and right-of-way be purchased for the corridor. The remaining project funds are being applied to construction as follows:		
	Kingman	• Corridor: Grading and bridge work from the Kingman-Pratt county line east 5.8 miles to be let in FY 2009	5.8	18.8
	Kingman	• Surfacing work to be let in FY 2010 (same location as above)	--	24.0
	Pratt	• Corridor: Grading and surfacing work from 1 mile east of Cairo, east to the Pratt-Kingman county line to be let in FY 2009	4.0	29.6
K-61	McPherson/Reno	From 17th Street in Hutchinson to McPherson. The following segments will be let in FY 2009 but in different months.		
	McPherson	• Corridor: From the McPherson-Reno county line northeast to Chisholm Road	7.4	46.2
	McPherson	• Corridor: From Chisholm Road north to McPherson	7.1	49.1
	Reno	• Corridor: From 17 th Street in Hutchinson, north to the McPherson-Reno county line	8.6	61.7
US-169	Montgomery	Corridor: From the junction US-166 north 5 miles	5.5	35.9
		TOTAL		\$ 364.7

* This is a joint project between KDOT and MoDOT that is being let by KDOT. The State Construction Funding is \$32.5 million and the Total Construction cost is \$65 million.

6-11

Geometric Improvement

These projects are on city connecting links (city streets that connect two portions of rural state highway) that widen lanes, improve or build curb and gutter sections and/or improve roadway alignments. The minimum local match ranges from 0 to 25 percent, and the maximum state share ranges from \$700,000 to \$950,000. Cities annually submit requests for projects, which are presented to the Highway Advisory Commission. The Commission then recommends a set of projects to the Secretary of Transportation, who makes the final decision.

<u>Route</u>	<u>County</u>	<u>Location</u>	<u>Miles</u>	<u>Construction Estimate \$ Millions</u>
US-77	Cowley	Winfield: From 14th Avenue north to 12th Avenue	0.2	0.5
US-54	Greenwood	Eureka: US-54 & Jefferson Street (culvert work)	-	0.1
K-7	Johnson	Olathe: From Old 56 Highway to Dennis Avenue	0.1	0.2
US-24	Osborne	Downs: From 2nd Street east to Clark Street	0.2	0.5
K-113	Riley	Manhattan: The Intersection of US-24 and Marlatt Avenue	0.1	2.0
US-283	Trego	WaKeeney: From 1 st Street east to 13 th Street	1.0	1.6
US-36	Washington	Washington: From west of D Street east to junction US-36 & K15	0.2	0.8
K-96	Wichita	Leoti: From Indian Street to Waters Street	0.9	0.4
TOTAL				\$ 6.1

Economic Development

These highway and bridge construction projects will enhance the surrounding area's economy. Cities and Counties, which are responsible for 25 percent of the project's funding, submit applications annually to KDOT. Eligible projects include those that have the potential to significantly enhance the income, employment, sales receipts, and land values in the surrounding area. The Highway Advisory Commission, with help from KDOT staff and the Kansas Department of Commerce, recommends a set of projects to the Secretary of Transportation, who makes the final decision.

<u>Route</u>	<u>County</u>	<u>Location</u>	<u>Miles</u>	<u>Construction Estimate \$ Millions</u>
	Barber	From US-160 north 5.25 miles to Sun City	5.2	3.5
	Bourbon	Fort Scott: National Street from 18 th Street to US-69/K-7	0.3	0.9
	Grant	Road K from US-160 north 3 miles and west 1 mile to K-25	4.0	2.4
US-50	Lyon	Junction US-50 & Road F	0.6	1.0
	Osborne	Downs: from US-24, south and east to 3rd Street & Commercial Street	1.5	2.0
	Sedgwick	Wichita: Colwich & Crocker Street east of 1 st	0.4	0.7
	Sedgwick	Derby: Madison Avenue from Water Street east to Buckner Street	0.1	0.7
	Sherman	North of I-70 exit 12 north to Sherman County Road	1.0	2.3
	Wabaunsee	About 10 miles east of Alta Vista on K-4 east about 2.5 miles	2.5	0.9
I-435	Wyandotte	The south-bound ramp from Wooden Avenue to the northbound ramp at Edwardsville	.1	1.6
TOTAL				\$ 16.0

Local Railroad Grade Separation

These projects improve highway/railroad crossings on and off the state highway system. Cities and Counties are responsible for 10 to 20 percent of the project funds depending on the area's population. KDOT's priority formula hazard index, which is based on railroad and highway operational characteristics, was used to select projects. Special consideration was given to projects that provide higher rates of local match in order to leverage state dollars. In addition, consideration was given to the positive effects on communities the projects are expected to have.

<u>Route</u>	<u>County</u>	<u>Location</u>	<u>Construction Estimate</u> <u>\$ Millions</u>
	Shawnee	Union Pacific railroad at NW Lower Silver Lake Road(NW 17 th Street)	3.9
TOTAL			\$ 3.9

Transportation Update: June 2007

Local Consultation at Work



There's a significant amount of work underway at the Kansas Department of Transportation, and I want to share important updates with our partners. We're nearing the end of the Comprehensive Transportation Program (CTP) and the primary focus of the agency is on delivering those CTP projects. I am pleased to report that all CTP projects will be under construction by 2009, as promised. And, on page four, you'll learn about more than 200 projects in the Local Partnership Program that are scheduled to begin work before or by 2009 as part of the CTP.

While delivering on the CTP commitments is our top priority, we must also begin to prepare for 2010 and beyond. As part of our planning process, KDOT staff traveled the state last fall to discuss projects that our Priority Formula would identify as important and to seek input on those projects and other ideas local officials had about project needs. I am very pleased with the number of local stakeholders who took time to talk with KDOT staff and am equally pleased with the quality of those discussions.

Feedback from those local discussions was clear. We consistently heard that maintaining and preserving the existing system should be KDOT's top priority. We also heard about significant transportation needs across the State, and learned that there's a great deal of interest in transportation improvement projects.

Because we do not know exactly how much funding will be available after the CTP, we're taking the common sense approach of preparing for two possible futures after the CTP:

Core Projects: If a new transportation program is not immediately available, KDOT's primary focus will be on maintaining and preserving the existing transportation system rather than adding significant new capacity.

Core Projects + New Program: KDOT needs to have larger, capacity projects under development so that when a new transportation program is passed they will be ready to be considered for construction along with the preservation/maintenance core projects. In addition to the studies and preliminary designs that KDOT already has underway for capacity enhancing work, we have identified an additional eight regionally significant projects upon which to begin preliminary work. These eight projects were identified through the local consultation process and represent more than 140 miles of state highways and carry more than 200,000 vehicles each day.

No construction funding has been committed for either the core or capacity projects. In an effort to balance the need to protect investments in the system and the need to meet emerging demands, it is possible that additional projects may be identified in the future for planning or design work, if the budget allows.

I appreciate your support of transportation. We're still refining the local consultation process and we'll probably always be searching for the right balance between regional input and Priority Formula data. As you read this update, though, I think you'll see that your input combined with our technical data results in benefits for our state. I look forward to continuing our partnerships with you.

Deb Miller
Secretary, Kansas Department of Transportation

Local Consultation at Work

Over the last two years, KDOT hosted 16 statewide meetings to discuss the local consult process and how we can better partner with local officials to select and program transportation projects. The response to these outreach efforts was overwhelmingly positive.

Most recently, KDOT hosted 84 county-level meetings with local officials in October 2006 as a precursor to 8 regional meetings to identify a handful of regionally significant projects for planning and design work. In these county-level meetings, local officials identified more than

400 transportation improvement projects for consideration. At the eight regional meetings in November and December 2006, KDOT's district staff presented information about those 400 projects as well as about projects that ranked high in the KDOT priority formula for pavement, geometric, and capacity needs. Clearly, KDOT can't begin work on 400 projects. But by considering both local and regional input along with Priority Formula data, KDOT has identified eight regionally significant projects (described on pages 2 and 3) for preliminary work.

6-14

Common Sense Approach... About the Scenarios

Core Projects:

There will be limited state dollars for construction until a new transportation program is passed by the Legislature. Kansas stakeholders and transportation professionals agree – the top priority for limited funds is preserving the existing system so KDOT has selected a pool of about 85 preservation-focused candidate projects for planning and design work. Of these candidate projects, 44 projects are relatively small bridge replacements projects, more than 32 are pavement rehab projects on the interstate and state highways, and the remaining projects help complete work that was initiated under the CTP. KDOT will pull projects from the pool to move to construction depending on cash flow, inflation rates and schedules.

Until the projects are further developed we won't know how many we can afford to build or how many will be ready to build. We will share project schedules as they become available. Those projects are shown in green on the map on page 3.

Core Projects + New Program

Because it takes many years to design major highway projects, KDOT has identified eight projects for preliminary work based on input from the local consultation meetings and the Priority Formula. These projects are described in more detail below and are shown in blue on the map.

These eight projects join other projects where a study or preliminary design is already underway. Projects already underway are noted in red on the map and include:

- NW Wichita Bypass & US-54 through Goddard
- US-54, Pratt to Kingman
- K-18, Ogden to Manhattan
- I-235, Interchanges at Kellogg & Central Ave., Wichita
- US-69 around Pittsburg
- US-69, Johnson County, 119th St. to 75th St.

Construction funding has not been identified for any of these capacity projects and won't be available unless there's a new funding program.

Newly Identified Preliminary Projects Using Local Consult

Input from local officials was key in helping us make these selections. We heard through the local consult meetings last fall that economic impact, regional travel and regional priorities should be considered when making transportation investments. Those issues, along with pavement, geometric and capacity needs were considered in selecting these projects for preliminary work. Not all the projects identified below are slated for design work; in some cases it is more productive to do a conceptual study first and to talk in more detail with stakeholders and local officials.

I-435 from I-35 to K-10

With more than 118,000 vehicles per day, this interchange is rapidly becoming a bottleneck for commuters and freight in the Kansas City metro area. Due to the time and expense it will take to address these problems, there was wide agreement in the local consultation meetings that KDOT should conduct a study of this interchange and the adjoining highways. This interchange impacts traffic on I-435, I-35 and K-10. Thus, improvements to the interchange will help address congestion along multiple corridors.

I-70 and K-7 interchange

K-7 is a rapidly developing corridor that spans 37 miles and seven communities. Since 2003, more than 100 meetings have been held with local communities to develop a vision for the corridor that the communities can support. Our local partners have worked hard to develop and implement corridor management agreements. While needs abound in the corridor, this interchange is the logical first step for preliminary design work because it has the highest traffic count in the corridor, functions poorly, and can't accommodate projected growth. Improving this interchange also received significant support in local consultation discussions.

K-27 in Wallace County

K-27 was selected due to its poor pavement condition and inadequate shoulders, hills and curves. It's also the last remaining section between Oklahoma and US-36 without adequate shoulders and sight distance. Local officials indicated that it's regionally important to complete the corridor improvements. This section spans 30 miles, so part of the preliminary design work will be to break the corridor into multiple projects and prioritize the projects for improvements.

**If you have questions or would like more information please contact:
Kansas Department of Transportation - Division of Public Affairs
785-296-3276**

6-15

9 from south of Pittsburg to I-44, including the US-400 connection

Under the CTP, Kansas has invested more than \$250 million to develop US-69 as a 4-lane corridor from Johnson County to Fort Scott, and it's important to complete the corridor for regional economic development. KDOT began expanding the corridor from the north to the south and with this project we'll examine southern linkages from Pittsburg south. The actual alignment will be the subject of the study and the goal is to create a connection between US-69 and US-400 to I-44. While many projects were discussed in the southeast Kansas local consultation meetings, there was wide support for a project that serves both US-400 and US-69.

I-135/KTA/47th St. Interchange

Though this area of Wichita has been economically challenged, economic growth is beginning to occur and more development is proposed. With traffic backing up on I-135 and 47th Street, there are concerns that the economic growth will stop if necessary infrastructure improvements aren't made. Local consult discussions indicated there's a great deal of support for growing that part of Wichita and making improvements to the interchange. This project would address the interchange and also take local roads into consideration.

K-96 from southeast of Nickerson to north of Ster.

The pavement on this section of K-96 is in poor condition, and the sharp right angle was the subject of considerable local concern. These factors led to a discussion of constructing a new diagonal between Nickerson and Sterling during the local consult meeting. Because there is significant regional interest in a "Northwest Passage," the study will be conducted in a way so that any improvements would not preclude future work on a broader concept like the Northwest Passage.

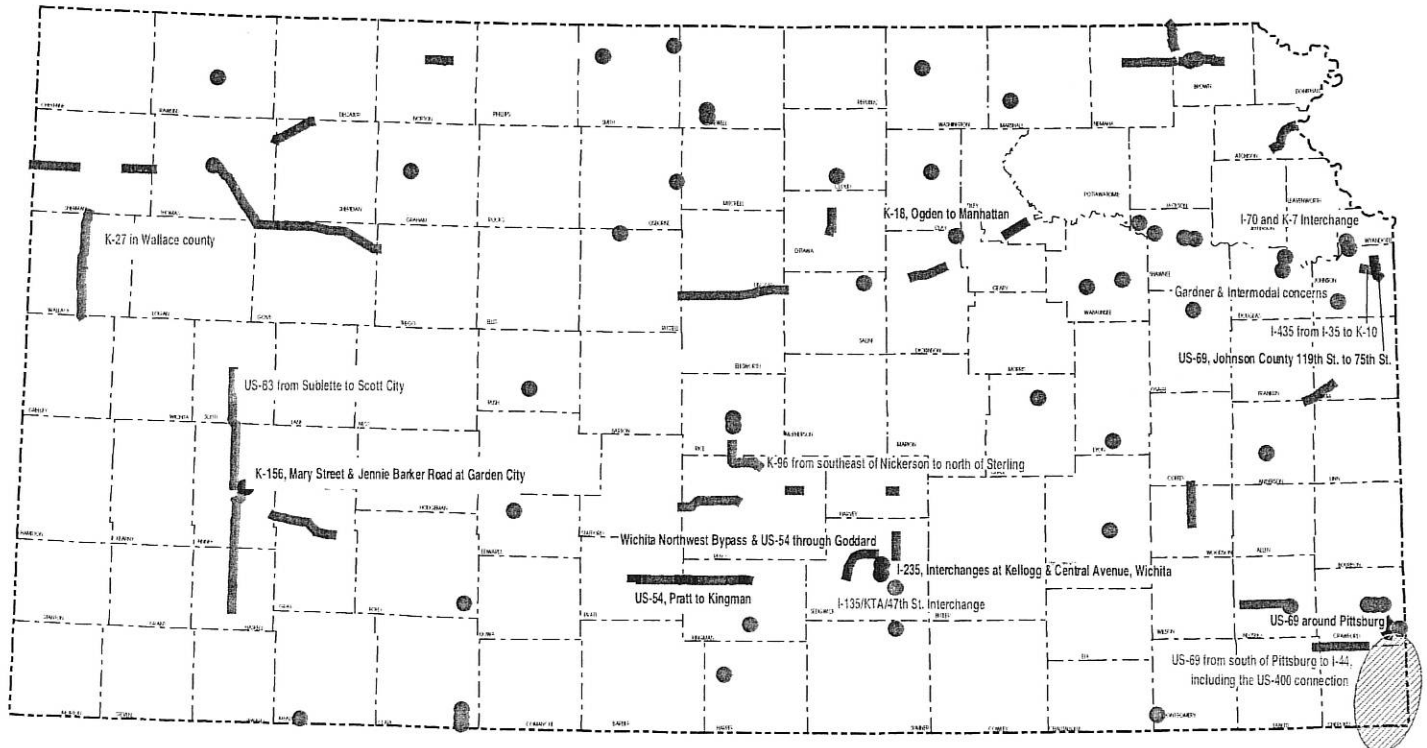
US 83 from Sublette to Scott City

This 70-mile corridor needs to be studied to identify and prioritize segments for improvement. In addition to pavement and capacity problems, local officials raised concerns about increased truck traffic from ethanol plants and limited passing opportunities. The study will determine whether the scope should focus on passing lanes or a four-lane improvement.

Gardner Interchange at I-35

There's clearly a need for preliminary work to begin on a new interchange to serve the BNSF intermodal facility and warehousing/logistics park. Up to 4,000 additional trucks per day and an additional 1,900 vehicles per day for employees associated with the facility and logistics park are projected in the next few years.

Projects That Are Being Studied or are Under Design



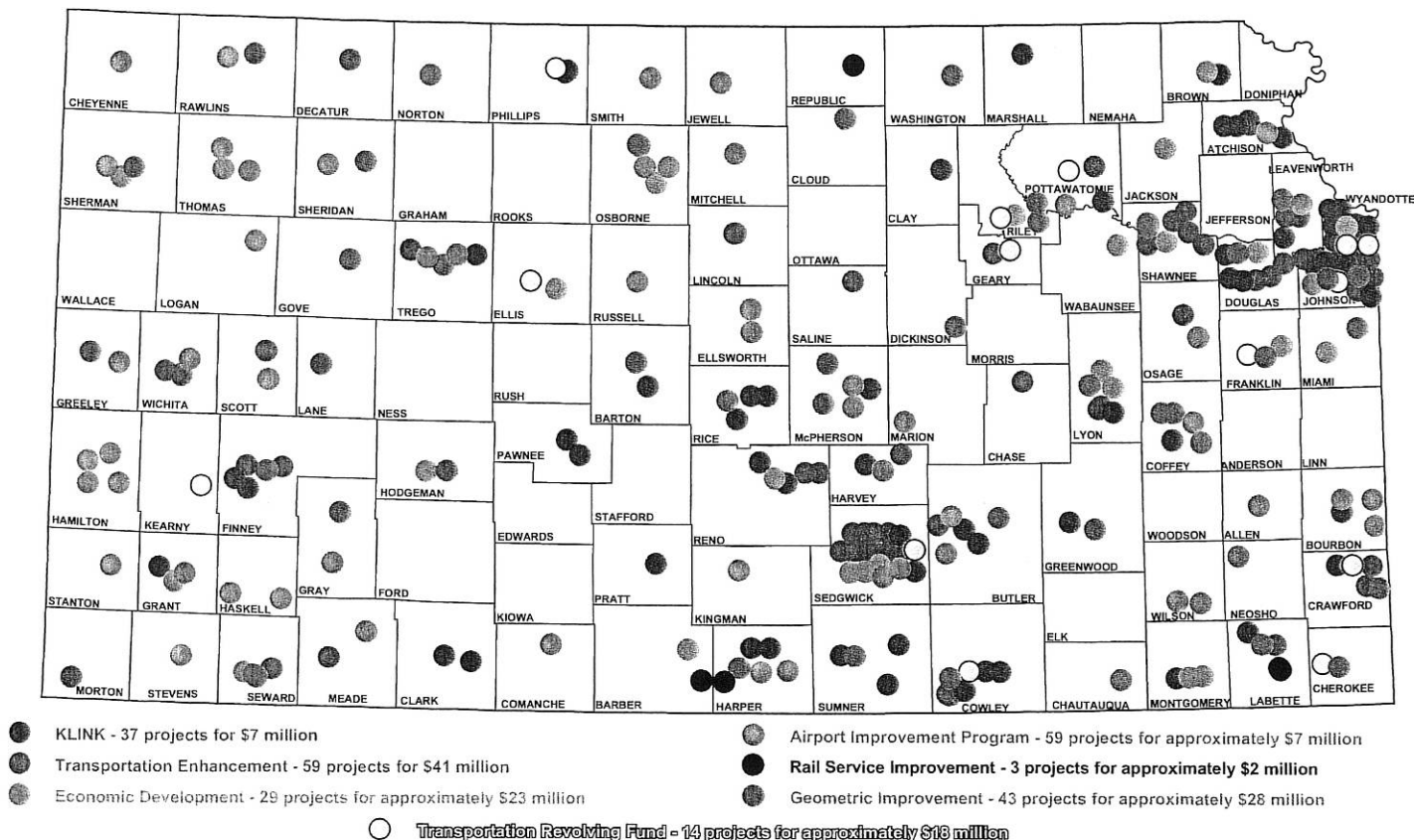
Core Projects
 Other Preliminary Work in the Pipeline
 Newly Identified Preliminary Projects Using Local Consult

6-16

Local Partnership Projects

Whether improving an airport runway for air ambulance access, rehabilitating railroad track so farmers can reach new markets, or helping modernize a city's infrastructure, the Local Partnership Program provides a valuable service to Kansas communities. The projects below will occur across the state and construction is scheduled to begin by 2009.

UPCOMING PROJECTS



Long Range Transportation Plan Update

Visit the website at www.KansasLRTP.org

KDOT is also in the process of developing a long range transportation plan (LRTP), a 20-year vision for transportation in the state. The LRTP is not a new transportation program, but will help shape the discussion about a new program. The LRTP is an evaluation of the current status and future needs of all modes of the Kansas transportation system, including state highways and local roads, transit, rail, aviation, and bicycle and pedestrian facilities.

During Phase 1 of developing the LRTP, five themes emerged which created the framework for Phase 2:

- Freight
- Metropolitan (defined as counties with a population of 50,000+ and a metropolitan planning organization) transportation issues
- Rural and micropolitan transportation issues
- Funding/finance
- Economic impact

For Phase 2, more than 150 stakeholders are organized into committees to comment on the five themes. Those committees include:

- Five Topical Working Groups (one for each of the themes) to examine issues in detail and develop possible approaches to meet the state's transportation needs in that theme over the next 20 years
- An LRTP Policy Committee to review and integrate input from the Topical Working groups because there are many issues which span more than one theme
- An LRTP Technical Committee to review the investment scenarios options in detail
- A KDOT Steering Committee for input and guidance

Recommendations will be developed in Phase 2, which will run through summer 2007. In Phase 3 (Fall 2007), the draft LRTP will be available for public comment. Based on those comments, the LRTP will be refined and finalized.

6-17