Approved: February 27, 2009
Date

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Gary Hayzlett at 1:30 p.m. on February 10, 2009, in Room 783 of the Docking State Office Building.

All members were present except:
Representative Jerry Henry- excused

Committee staff present:
Bruce Kinzie, Office of the Revisor of Statutes
Hank Avila, Kansas Legislative Research Department
Jill Shelley, Kansas Legislative Research Department
Betty Boaz, Committee Assistant

Conferees appearing before the committee:
None
Others attending:
See attached list.

The next meeting is scheduled for February 11, 2009.

The meeting was adjourned at 2:30 p.m.

Vice Chair Jene Vickrey opened the Committee meeting in the absence of Chairman Hayzlett.

Vice-Chair Vickrey recognized Deb Miller, Secretary of Transportation. Secretary Miller gave an overview of the T-Link process. (Attachment #1) She discussed input from Kansans, highways, local roads, modes, funding and finance.

Upon completion of Secretary Miller's presentation, there being no further business before the Committee Vice-Chair Vickrey adjourned the meeting.

HOUSE TRANSPORTATION COMMITTEE GUEST LIST

DATE: 2-10-09

NAME	REPRESENTING
Ethan Patterson	Little Government
Terry Heidner	KDOT
Carol Torkelson	NCRPC
Doug McKinney	NC Regional Planning Commission
Curt Train	LMC
Jana Mott	LMC
Derek E. Fobes	LMC
Travis Lowe	Pinegar, Smith, & Assoc.
Dan Watkins	—

HOUSE TRANSPORTATION COMMITTEE GUEST LIST

DATE: 2-10-09

NAME	REPRESENTING
Bud Burke	Hwy 69 Assn.
Andy Brownback	Kansas Chamber of Commerce
T. E Deagoo	United Transportation Union
KEITH PANGBORN	KEARNEY & ASSOC.
Donna Petrus	Leadership Mitchell Co.
Kim Nicholson	" "
TOM WHITAKER	KMCA
KEVIN GREGG	KMCA
RANDALL HARDY	REECE CONSTRUCTION CO INC
[redacted]	
JEN MILLER	CAPITOL STRATEGIES
Patrick J. Hurley	Economic Lifelines
Bob Totten	Ks Contractors Association
Cosby Bleckner	Ks. Contractors assn
Mike Kerr	Ks Contractors Assn
Whitney Damron	& ADA

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DEPARTMENT OF TRANSPORTATION

House Transportation Committee

February 10, 2009

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Overview

- Input from Kansans, T-LINK Process
  - Investments & Economy-business models
- Highways
  - Business model changes & funding levels
- Local Roads
  - Business model changes & funding levels
- Modes
  - Business model changes & funding levels
- Funding & Finance

House Transportation
Date: 2-10-09
Attachment # 1

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T-LINK

- 35 member task force created by Gov. Sebelius
- Charged with
  - Keeping roads and bridges safe and in good repair
  - Forward thinking without relying on old business models
  - New approach that reflects today's fiscal realities and creates a new approach for our transportation future

www.kansastlink.com

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T-LINK process

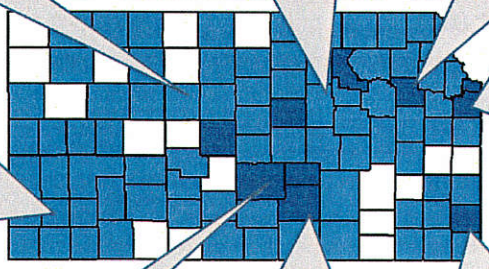
- Local Consultation: 8 city tour of state in September
- 5 meetings of the Task Force
  - Last one January 26th
- Strong online presence
  - Materials posted quickly
  - T-LINK Calculator

Local Consult Highlights 860+ Attendees

Northwest
75+ attendees
Key Issues: Need for shoulders and passing lanes to improve safety, increasing truck traffic, loss of CARE Van transit service

North Central
95+ attendees
Key Issues: Widening lanes to accommodate wind turbine manufacturers, transition to 2-mile grid system

Northeast
100+ attendees
Key Issues: Increasing demand for transit, interest in creating incentives for locals to close roads



Southwest
85+ attendees
Key Issues: Add shoulders, passing lanes, or four lanes to US-50/400, US-54, US-83. Loss of transit service, increasing need for short-line rail

Kansas City Metro
150+ attendees
Key Issues: Support for local option taxes, strong interest in bike/ped, using transit for workforce, corridor capacity

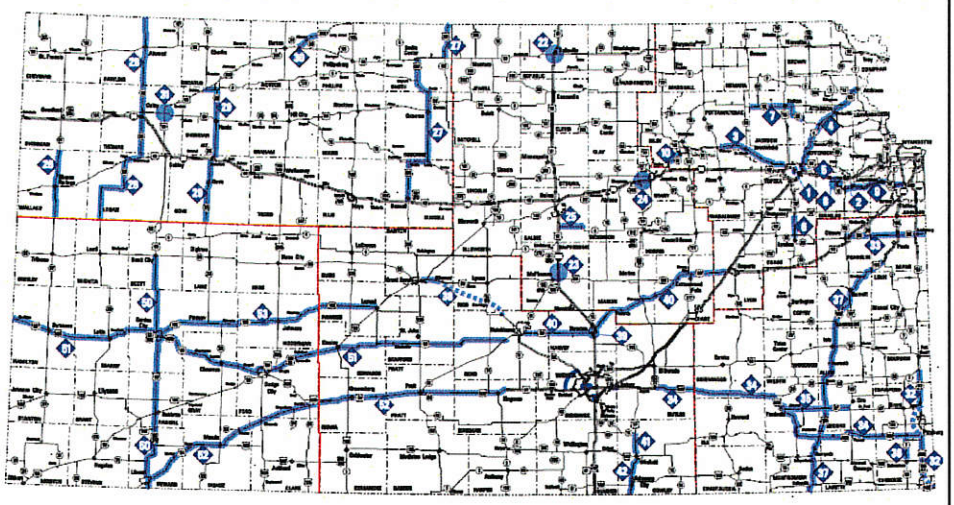
South Central
100+ attendees
Key Issues: Strong support of regional collaboration, support for multi-modal and flexible approach

Wichita Metro
100+ attendees
Key Issues: Rail bottleneck, interest in passenger rail, REAP called for preservation

Southeast
95+ attendees
Key Issues: Utilizing transit to get people to work, balanced approach, corridor capacity

*Blue counties indicated counties that were represented, dark blue means 20+ participants from that county

Regional discussions about project priorities



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Summary of Testimony

- 128 people testified
- Advocates for all modes and different types of projects
- Support for a new program

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Guiding Principles

- Preserve the existing system
- Support the economic priorities of Kansas
- Implement new transportation business models
- Increase funding for all modes of transportation
- Fund a new transportation program with a broad range of funding sources

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Linking Transportation to Economic Development

- For all modes, emphasize capacity & economic opportunities to address quickly emerging, time-sensitive opportunities
- More flexible & frequent project selection process
  - Work with local officials to develop
  - Build on local consultation, increase accountability and transparency
- Use economic analysis as part of project selection
  - Focus on impacts to jobs and income growth
  - Equitable evaluation
  - Use as a factor in decision making

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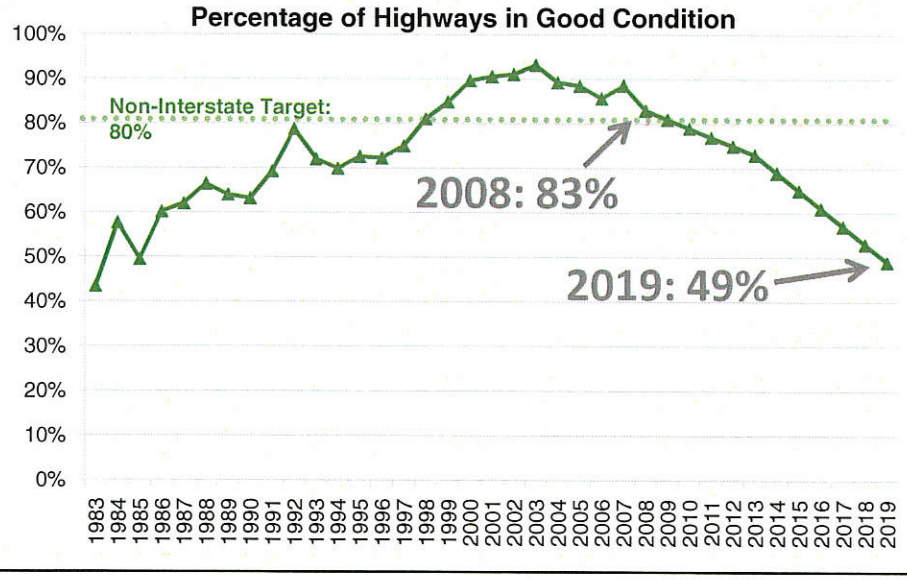
Highways: Preservation is top priority



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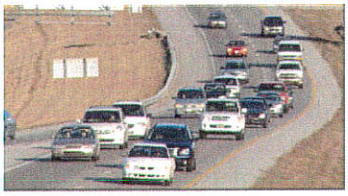
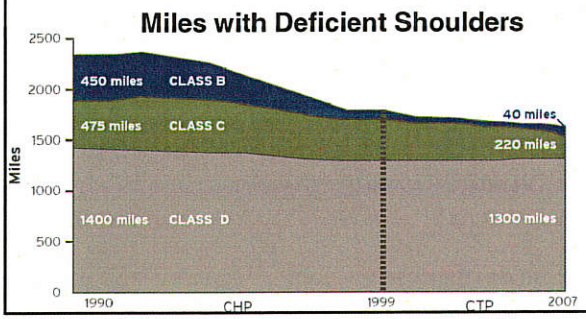
Business Model: More capacity, less modernization

- Most traveled highways have been modernized
- State has been falling behind on capacity needs





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Business Models

- Develop a strategy for mega projects ($200M +)
  - Examples: I-35/I-435/K-10 interchange & I-235/Kellogg interchange
  - Specific financing packages may need to be developed
- Develop practical improvements to the highway systems
  - Passing lanes instead of 4-lanes
  - Cheaper solutions on rural modernization

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Funding Levels

State Highway Construction	Average actual CTP spending	CTP spending if inflated to 2010 dollars	T-LINK Rec	Annual future need	Percent of need met by T-LINK
Preservation	$275	$425	$415	$415	100%
Modernization	85	130	35	80	44%
Capacity/Eco Impacts	170	235	340	700	49%
State Highway Total	**$530**	**$790**	**$790**	**$1,195**	66%

- Fully fund preservation
- Shift from modernization to capacity

Questions?

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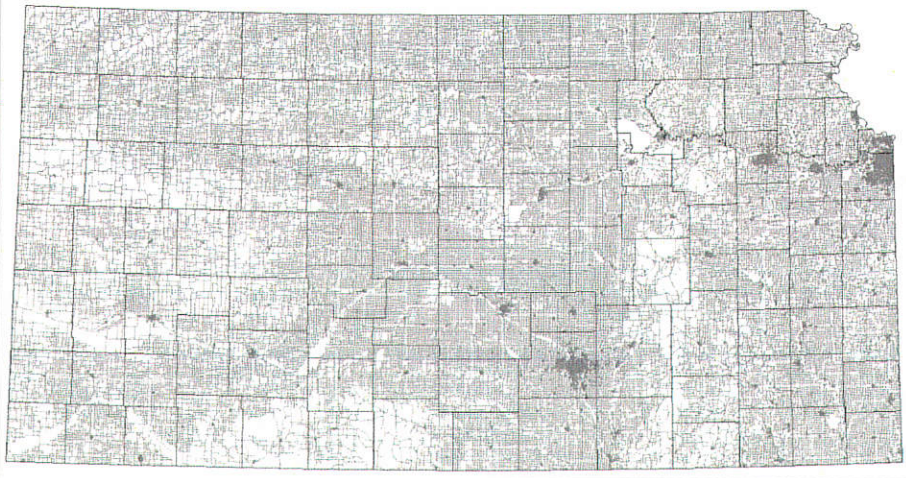
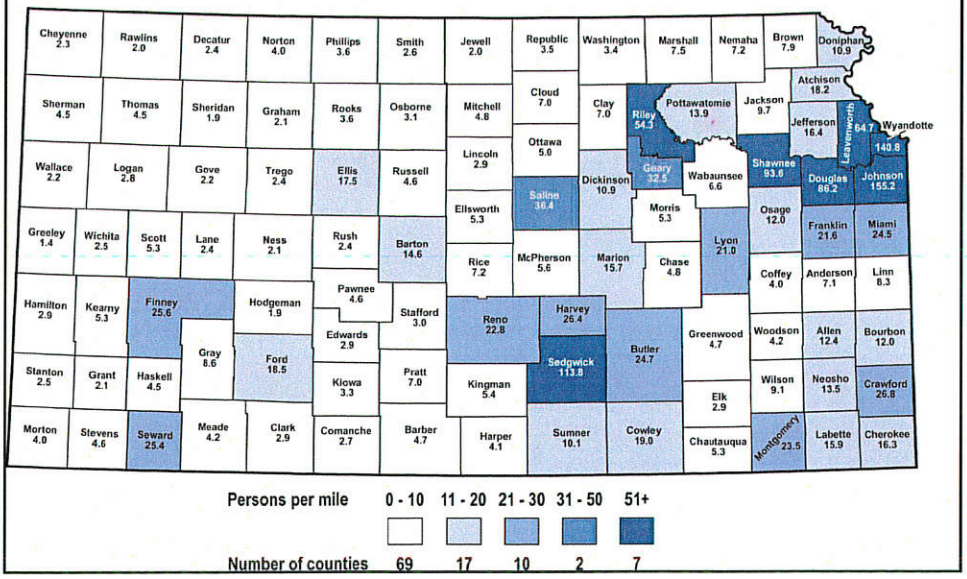
Kansas Local Roads System

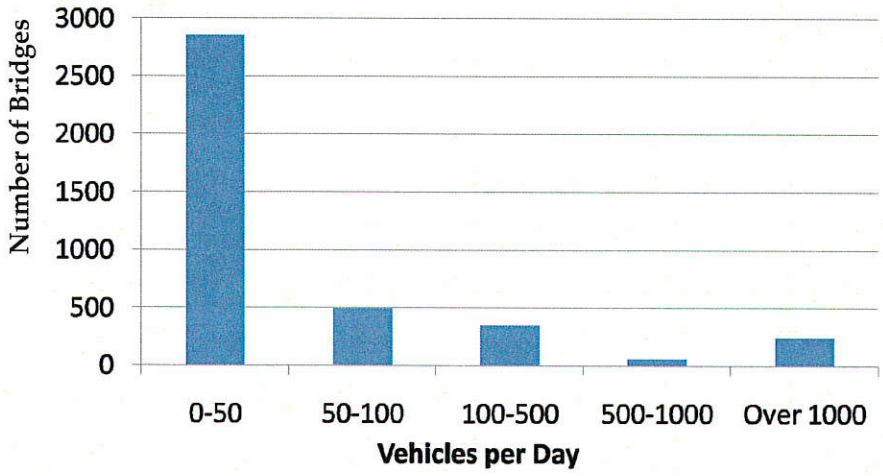
- **130,000 miles of local roads & 20,500 bridges**



People per public road mile



Most deficient bridges are lightly traveled



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Local Roads: Business Models

- Work with local officials toward a sustainable road network
- Create a fund exchange program so that local govts could sell or swap federal dollars for state funds– which have fewer requirements

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Funding levels

	Average Annual CTP State Funding	Recommended Annual State Funding
Special City County Highway Fund	$155M	$183M
Priority Local Roads Network	$0	$30M
KLINK	$5M	$7M
GI Programs	$6M	$10M
City Connecting Links	$3M	$5M
TOTAL	**$170M**	**$235M**

Questions?

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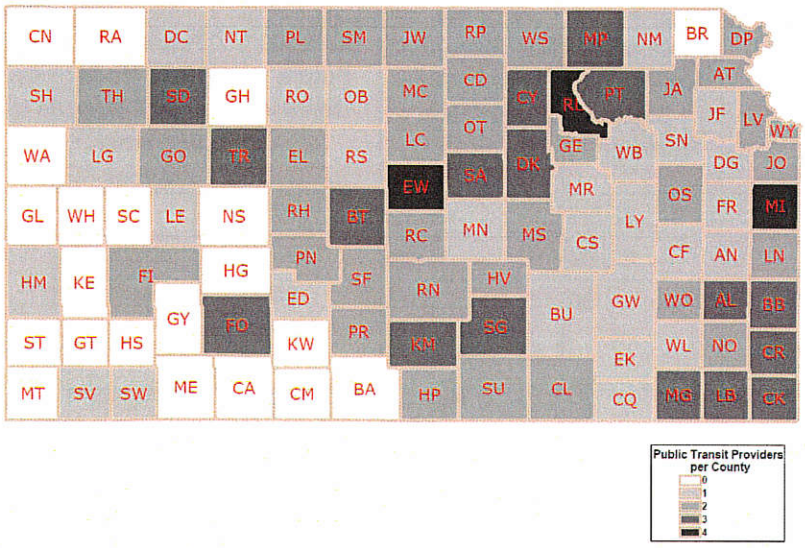
Transit: 180+ providers, 21 counties without public transit



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Transit Business Models

- Create a regional approach to transit to improve delivery of rural services
- Create rural & urban funding formulas
- Create a "commuter corridor" transit funding program

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Transit Funding Levels

	Average Annual CTP State Funding	Recommended Annual State Funding	Annual Future Need	Percent of Future Need Met by T-LINK and other Sources
Urban	$3.5M	$8.3M	$60M	
Rural	$2.5M	$4.4M	$33M	
Regional Transit Approach	$0	$2M	$2M	
Commuter Corridors	$0	$1.2M	$20M	
TOTAL	**$6M**	**$15.9M**	**$115M**	||||||||||| 48% *

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Rail

- Passenger rail study underway
- Short-line Rail Program
  - Amend statute so shippers, local govts and industrial parks are eligible

	Average Annual CTP State Funding	Recommended Annual State Funding	Annual Future Need	Percent of Future Need Met by T-LINK and other Sources
Short-Line Freight Rail	**$3M**	**$7M**	**$20M**	|||||||||| 40%

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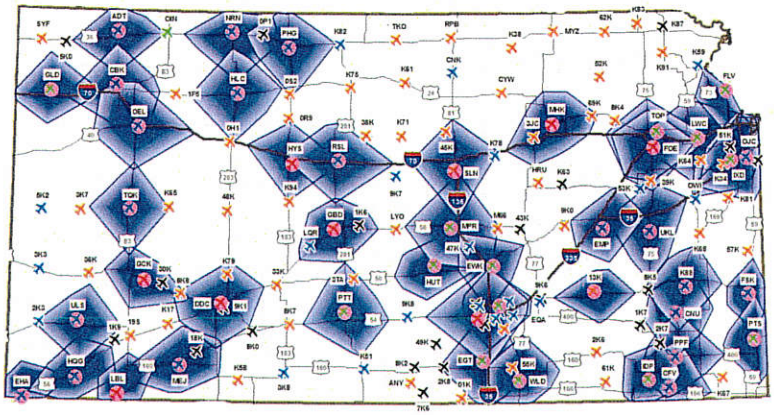
Aviation

Air-ambulance All-Weather Access Coverage



*Strategic improvements needed for air ambulance service and economic development

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Aviation Funding

- Consider reducing or removing the aviation fuel sales tax exemption
- Deposit sales tax revenue in transportation fund for all modes

	Average Annual CTP State Funding	Recommended Annual State Funding	Annual Future Need	% of Future Needs Met by T-LINK and Other Sources
All Weather Upgrades	$0	$3.5M	$5M	
Preservation	$3M	$1.9M	$33M	
Other Modernization Needs	$0	$0.6M	$26M	
TOTAL	**$3M**	**$6M**	**$64M**	58%

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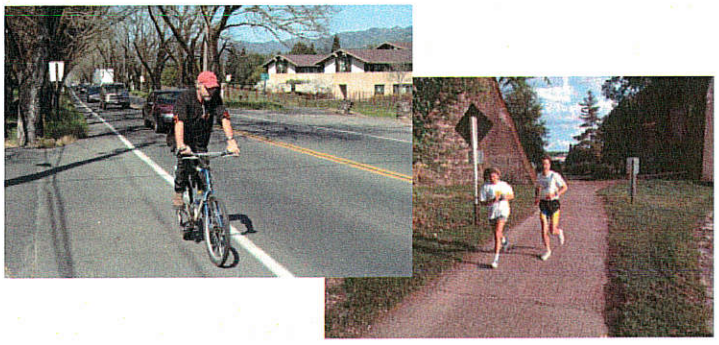
Bike/Pedestrian

- Fund bike/ped facilities primarily at local level. Create criteria for using state/federal funds as part of highway projects when appropriate



Questions?

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Funding & Finance

- State Funding
  - Increase traditional sources (MFT, registration fees, supplement new revenues with debt financing)
  - Analyze viability of vehicle miles traveled tax
  - Consider motor fuels sales tax
  - Consider reducing or removing the aviation fuel sales tax exemption
  - Utilize gaming revenues

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Local Funding

- Increase funding options for communities:
- Make Transportation Development Districts more STAR Bond like
- Enhance the funding capacity of the Transportation Revolving Fund

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Debt

- Cap debt ceiling at 18% of adjusted total agency revenues
- Reserve a portion of the debt ceiling to build fast emerging economic developments whose worth has been demonstrated through an economic impact analysis

Comparing the T-LINK Recommendations with the CTP and anticipated future needs

State Highway Construction	Average actual CTP spending	CTP spending if inflated to 2010 dollars	T-LINK Rec	Annual future need	Percent of need met by T-LINK
Preservation	$275	$425	$415	$415	100%
Modernization	85	130	35	80	44%
Capacity/Eco Impacts	170	235	340	700	49%
State Highway Total	**$530**	**$790**	**$790**	**$1,195**	66%

Modes	Average actual CTP spending				State spend. if inflated to 2010 dollars	T-LINK Rec	Annual future need	Percent of need met by T-LINK + Fed + Local
	Total	*Fed*	*Local*	State				
Local Roads	*$735*	*$65*	*$500*	$170	$255	$235	* see note	
Aviation	*30*	*25*	*2*	3	5	6	64	58%
Transit	52	19	*27*	6	11	16	115	48%
Shortline Rail	*4*	*0*	*1*	3	5	7	20	40%
Bike/Ped	*6*	*5*	*1*	0	0	0	15	40%
EcoDevo Set-Aside	*9*	*0*	*2*	7	11	20	35	69%
Modes Total	***$836***	***$114***	***$533***	**$189**	**$287**	**$284**		
TOTAL PROGRAM				**$719**	**$1,077**	**$1,074**	----->	After factoring inflation, average annual payout over 10 years is: **$1,266**

GAP ANALYSIS (millions)

	10-Year Average
T-LINK Recommended Program - Average Annual Payout Obligations Over 10 Years	$1,336
Average Annual Operations, Maintenance and Other Costs:	
Management, Buildings, Maintenance, Engineering, CTP Final Payouts	$366
Debt Service	$151
Transfers to Other Agencies	$127
Total Average Annual Expenditure Obligation	**$1,980**
Anticipated Average Annual Agency Revenue	**$1,340**
10-YEAR AVERAGE ANNUAL GAP	**$640**

* Due to the size (130,000 miles) of the local road system and its many jurisdictions, it is inherently difficult to calculate the level of need. Informal studies and surveys have indicated that the needs could range from $1 billion to as much as $3 billion.