

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Gary Hayzlett at 1:30 p.m. on March 19, 2009, in Room 783 of the Docking State Office Building.

All members were present.

Committee staff present:

Bruce Kinzie, Office of the Revisor of Statutes
Jill Shelley, Kansas Legislative Research Department
Betty Boaz, Committee Assistant

Conferees appearing before the Committee:

Tim Rogers, Executive Director, Salina Airport (Co-Chair of T-Link)
Pat Weaver, Exec. Dir, University of KS Transportation Center, (T-Link Member)
Bernie Hayen, Finance Director, City of Manhattan, (T-Link Member)
Howard Partington, City Administrator of Great Bend
Deb Miller, Secretary, Department of Transportation
R.E. "Tuck" Duncan, Executive Director, KS Public Transit Association
Larry Baer, Assistant General Counsel, League of Municipalities
J. Kent Eckles, Vice President of Government Affairs, KS Chamber of Commerce

Others attending:

See attached list.

The meeting was called to order by Chairman Gary Hayzlett. He opened the hearing on **HB 2382**.

HB 2382 - Enacting 2010 transportation plan.

Chairman Hayzlett recognized Tim Rogers, Co-Chair of T-Link. (Attachment #1) Mr. Rogers talked about the eight local meetings held across the state with more than 850 people participating with T-Link members, hearing over 120 people testify. Mr. Rogers gave recommendations for moving forward with the new business model which included authorizing KDOT to manage its debt at the 18 percent revenue-to-debt service cap. He acknowledged that with the current fiscal challenges it may not allow them to address the substantial needs they have in the short-term, which is why, he said it is very important to move forward with the recommended business model changes. He said these changes will make transportation more efficient and will allow KDOT the flexibility it needs to maximize their investments.

The Chairman recognized Pat Weaver, T-Link member. (Attachment #2) Mr. Weaver talked about the needs in the state and a little about the business module and how it was developed. According to Mr. Weaver one of T-Link's guiding principles was to have their next program be a multimodal approach to transportation. He talked about the more than 10 million rides provided in Kansas in 2007. He said transit has been underfunded both in Kansas and across the nation, and that funding increases should be met with increased accountability and efficiency.

The next proponent recognized was Bernie Hayen, T-Link member. (Attachment #3) Mr. Hayen said there were some specific issues identified. One was transparency in government, they held eight local consultation meetings, which yielded more than 850 participants. He said these meetings were essential in the development of T-Link's recommendations, because the meetings allow for citizen input in decision making without being politicized. He went on to say the current requirements for establishing transportation development districts are too restrictive. Mr. Hayen also said T-Link recommended creating a fund exchange program where local governments could exchange their federal funds for state funds, which carry fewer requirements.

The next proponent for **HB 2382** was Howard Partington, City Administrator of Great Bend. (Attachment #4) Mr. Partington stressed how important it had been to have on-going local consultation for this program. He said rather than just presenting a list of needs, local consultation meetings require citizens from the same region to work collaboratively to identify the region's priorities. He concluded with mentioning that even if

CONTINUATION SHEET

Minutes of the House Transportation Committee at 1:30 p.m. on March 19, 2009, in Room 783 of the Docking State Office Building.

funding was not available for a new program, it is important for KDOT to continue to move forward with many of the business model changes mentioned in this bill. He said with a better framework in place, Kansas will be in a position to maximize the new transportation dollars once they are available.

Deb Miller, Secretary of the KDOT was the next to testify in support of **HB 2382** relating to a new transportation program. (Attachment #5) She said they were pleased to see the Legislature begin work on a new program as the current CTP ends soon. Secretary Miller credited the previous programs with generating thousands of jobs and great economic benefits for the State. She said T-Link recommends having engineering data, local consultation and economic impact analysis all play a role in project selection. She said they heard communities across the state stress the importance of having flexibility when selecting projects to allow the state to capture emerging economic opportunities. One of the problems with the current CTP is that projects were selected ten-years in advance in order to have funding. Secretary Miller pointed out to the Committee that this bill changes the names for the types of highway projects, they will now be referred to as Preservation, Modernization or Capacity/Economic Opportunity projects. Secretary Miller said they are pleased to see that this bill maintains a commitment to preservation as preservation is the top priority of T-Link. She concluded by saying she thinks the Legislature should enact the proposed business models found in **HB 2382**.

Chairman Hayzlett recognized R.E. "Tuck" Duncan, Executive Director, KS Public Transit Association, as the next proponent. (Attachment #6) According to Mr. Duncan, public transit provided approximately 10 million rides for Kansas residents across the state in 2007 and even more in 2008. He said most rural and urban transit agencies in Kansas are struggling to manage rapidly increasing costs driven by growing ridership, higher fuel costs, etc. Mr. Duncan said over the last eight years, transit ridership has grown by 48 percent. He said in 2008 Americans took over 10.5 billion trips on public transit and for every \$1 invested in public transportation projects approximately \$6 in local economic activity is generated. He concluded by saying public transit needs the continued commitment to fund the public transportation system. He said it would help stabilize the local economy in the short-term as the groundwork is being laid for the future. He stressed they need funding for public transit now.

Larry Baer was to be the next proponent but he was called away and Nathan Eberline of the League of KS Municipalities stepped in for him. (Attachment #7) According to testimony the transportation infrastructure in Kansas is critical to the safety of our citizens as well as the economy of the state. He said the League believes that the prosperity of the State is dependent upon the prosperity of our cities and that the transportation infrastructure is critical to the growth, development and continued vibrancy and prosperity of our cities. He said because of the importance of the infrastructure the League supports the continued maintenance and expansion of the transportation infrastructure and therefore supports **HB 2382**.

The last proponent for **HB 2382** was J. Kent Eckles, Vice President of Government Affairs with the Kansas Chamber of Commerce. (Attachment #8) According to Mr. Eckles, Reason Foundation's 17th Annual Report recognized the State of Kansas as the 5th ranked public-owned highway and road system in the nation - the second consecutive year Kansas has ranked in the top five nationally. He also reported the 2007 Area Development Corporate Survey of site selection consultants shows "highway accessibility" as the number one ranked factor consultants consider either "very important" or "important" when advising companies to locate operations in a given state. He concluded by saying the Chamber believes **HB 2382** is on the right track in establishing a new ten-year CTP.

There were no other proponents and no opponents so after all questions were answered the Chairman closed the hearing on **HB 2382**.

It was the Chairman's desire to work **HB 2382** so he opened it to the Committee for questions, discussion or motions. Representative Long made a motion to amend **HB 2382** (Attachment #9), seconded by Representative Wetta, after discussion the motion carried. Representative Swanson made a motion to favorably move **HB 2382**, as amended, seconded by Representative Schwartz, and the motion carried.

The Chairman thanked the Committee for their diligence and hard work all session. There being no further business before the Committee the meeting was adjourned at 3:20 p.m., with no further meetings planned.

HOUSE TRANSPORTATION COMMITTEE GUEST LIST

DATE: March 19, 2009

NAME	REPRESENTING
Whitney Gamm	KS Good Roads, Inc.
Chris Wilson	KBIA
Dan Morgan	Builders Assn.
Leslie Kaufman	Ka Coop Council
MIKE HOENE	KCC
Cont Eckles	KS Chamber of Commerce
GARY DWENPORT	KCC
Mary E Turkin	Eco Solutions
Asimiy Dapita	Empar. Smith & Assoc.
Tom Whitaker	KMCA
Scott Heidner	ACEC
Michelle Butler	Capital Strategies
Nathan Eberlin	LKM
SEAN MILLER	Capital Strategies
Mark Jankov	PUBLIC TRANSIT
BOB TOTTEN	Ka Contractors Assoc.
FE	
Washa Lee Pitt	KCA
W. Brady	ICPPM



**TESTIMONY BEFORE
HOUSE TRANSPORTATION COMMITTEE**

**REGARDING HOUSE BILL 2382
RELATING TO A NEW TRANSPORTATION PROGRAM**

I am Tim Rogers, Executive Director of the Salina Airport Authority and co-chair of T-LINK, and I'm here to speak in support of HB 2382.

T-LINK Process:

- T-LINK's 35- members consist of business, government and community leaders from across the state. I would like to ask the T-LINK members present today to stand and be recognized.
- T-LINK Charge:
 - A commitment to keeping roads and bridges safe and in good repair
 - Forward thinking without relying on old business models
 - A new approach that reflects today's fiscal realities and creates a framework to prepare Kansas for its transportation future
- T-LINK hosted 8 local consult meetings across the state.
 - More than 850 people participated in the process and T-LINK members heard over 120 people testify. (Copies of the testimony are available upon request.)
 - Kansans could submit comments through the T-LINK web site www.kansastlink.com
- 6 working meetings, which include in-depth discussions on all modes of transportation and funding and financing approaches.

Better Business Models:

- Due to the economic recession, T-LINK deferred to the Governor and Legislature as to the timing of a newly funded transportation program.
- However, T-LINK recommends moving forward with the new business model. Business model changes found in this bill include:
 - Flexible project selection
 - Having Economic Impact Analysis as part of project selection
 - A multimodal economic development program
 - Utilizing practical improvements
 - Allowing local governments to exchange federal aid funds for state funds

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Attachment # 1

- Authorizing KDOT to manage its debt at the 18 percent revenue-to-debt service cap
- We recognize that current fiscal challenges may not allow us to address the substantial needs we have in the short-term, which is why it's very important we move forward with the recommended business model changes. These changes will make transportation more efficient and will allow KDOT the flexibility it needs to maximize our investments.

Multimodal Approach:

- As the Executive Director of the Salina Airport Authority, I would also like to stress the importance of having a multimodal approach to transportation.
- **Aviation.** The CTP investment in aviation made a tremendous difference in the condition of many of the state's runways. This is essential for helping Kansans have access to air ambulance service and for contributing to a community's economic development. Currently, we have 52 counties that either lack on-field weather observation or an instrument approach or require runway improvements to accommodate air ambulance landing in all-weather conditions.
- To address this need and others, T-LINK recommended having KDOT work with stakeholders to create a strategic aviation projects plan and establish a priority network of airports that accommodate air ambulance and promote economic development.
- **Rail.** Communities stressed the importance of the continuation of the short-line rail program. Short-lines are a vital component of our state's economy and the loss of access to them can be devastating to a community's economic growth. T-LINK has called for this program to be expanded to allow local governments, shippers and industrial parks to be eligible for funds, which will expand economic development opportunities for communities.



www.kansastlink.com

TESTIMONY BEFORE
HOUSE TRANSPORTATION COMMITTEE

REGARDING HOUSE BILL 2382
RELATING TO A NEW TRANSPORTATION PROGRAM

I am Pat Weaver, Executive Director of the University of Kansas Transportation Center and T-LINK member, and I'm here to testify in support of House Bill 2382.

One of T-LINK's guiding principles was to have our next program be a multimodal approach to transportation. I am very pleased to see an emphasis on transit in this legislation.

Transit Needs:

- **Increased Need.** More than 10 million rides provided in Kansas in 2007. There was tremendous increase in demand as gas prices skyrocketed. And generally, once people become accustomed to public transportation they tend to utilize it even as gas prices decline.

- Currently, Kansas contracts with more than 180 small transit operators, which operate in rural areas. Despite all these providers, 18 counties do not have public transit service and 12 of those do not have any service. In order to address this issue, T-LINK proposed the following.
 - **Increasing Funding.** Transit has been underfunded both in Kansas and across the nation. Currently, federal and local dollars make up the majority of transit revenues, in other words the state provides the least support. More resources are needed in order to improve service. I'm pleased to see that the proposed legislation does call for an increase. Part of this increase will go to address the initial cost of new technologies that will be utilized as Kansas moves toward a regional approach to transit.

 - **Regional Approach.** Funding increases should be met with increased accountability and efficiency. Thus, T-LINK directed funding increases to be linked with the implementation of a regional approach. This would include establishing regional transit districts, which would be based on travel patterns. Each district would be required to meet a specific level of service and utilize one-call dispatching. (Currently there are no requirements). A regional approach would improve customer service and would be a cost-effective way to provide public transportation in Kansas.
 - Recognizing these changes could not occur over-night, T-LINK recommended beginning with a few pilot projects.

Pat Weaver
University of Kansas Transportation Center
785-864-2595

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Attachment # 2



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TESTIMONY BEFORE
HOUSE TRANSPORTATION COMMITTEE

REGARDING HOUSE BILL 2382
RELATING TO A NEW TRANSPORTATION PROGRAM

I am Bernie Hayen, Finance Director for the city of Manhattan and T-LINK member, and I'm here to speak in support of House Bill 2382.

Through T-LINK we convened eight local consultation meetings, which yielded more than 850 participants. These meetings were essential in the development of T-LINK's recommendations and I'm very pleased that local consultation is mentioned in the proposed legislation.

As others have mentioned, I believe that these meetings allow for citizen input in decision making without being politicized. I think it's very important to our state to have transportation projects be selected without partisan influence.

More Financing Options for Locals

The current recession has placed enormous challenge on local governments to meet their needs with shrinking financial resources. It's clear that local governments must have more options in order to confront these challenges. I'd like to focus on the T-LINK recommendations that address this need.

- The current requirements for establishing Transportation Development Districts (TDD) are too restrictive. T-LINK has recommended developing an approach to TDD's that would make them more accessible by incorporating the parameters similar to those found in STAR Bonds. I understand that there may be a working group formed this summer to explore financing options for a new program and I would strongly recommend having TDDs be a part of the discussion.
- T-LINK recommended creating fund exchange program where local governments could exchange their federal funds for state funds, which carry fewer requirements.
 - We were very pleased to see this recommendation made it in the bill. T-LINK believes this program will be very advantageous for Kansas communities. There are similar programs in place across the country and our hope is that Kansas can build upon their approaches.

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Local Roads

- In addition to having more financing options, there are other changes local governments need to make in order to better serve their communities.
- Two-thirds of Kansas counties have fewer than 10 people per mile of public roads. 12,500 bridges on the local road network carry less than 50 vehicles per day yet 3,000 of them are deficient and need to be replaced. At the current replacement rate, it would take 75 years to replace these 3,000 bridges.
- The local road network supports the Kansas economy but the size of the system is unsustainable. Yet each of the roads and the bridges on the local network are used by someone or by some business. In order to meet these needs, greater state investment will be needed but if the state is to increase its investment in local roads and bridges, then a strategic network of roads and bridges which are the most significant to serving the Kansas economy needs to be determined and state and federal dollars should be invested on that system.
- Clearly, creation of such a network will be difficult and controversial. It will require collaboration and patience. Business as usual is not sustainable. We must move toward a more efficient approach to meeting local roads' needs and establishing a priority network provides an avenue to do that. It would be very helpful if the Legislature could take action to encourage the establishment of a Local Roads priority network. Without Legislative support, it will be difficult to move in this direction, which is essential if transportation improvements across our great state are truly a priority.



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**TESTIMONY BEFORE
HOUSE TRANSPORTATION COMMITTEE
REGARDING HOUSE BILL 2382
RELATING TO A NEW TRANSPORTATION PROGRAM**

I am Howard Partington, City Administrator of Great Bend, and I'm here to speak in support of House Bill 2382.

Value of Local Consultation

- I am very pleased many of the T-LINK recommendations were incorporated into the proposed legislation. I have no doubt that the real strength and credibility of the T-LINK recommendations were that they were shaped by local input. Today, I'd like to briefly address the role that local units of government played in the T-LINK process and other transportation related meetings and highlight their importance.
- In 2006, KDOT hosted more than 40 meetings across the state to develop its long range transportation plan (LRTP). I participated in the meetings and then served as a member on the LRTP economic impact working group. I also participated in the local consultation meetings hosted by T-LINK, which allowed communities the opportunity to revisit the 2006 priorities and add new projects. I also testified before the Special Committee on a New Comprehensive Transportation Plan hearing in Garden City this past December. Hence, the LRTP served as important foundation for T-LINK to build upon when making their recommendations.
- I cannot stress how important having on-going local consultation is to a transportation program. And I'm very pleased that local consultation is mentioned in the proposed legislation.
 - Rather than just presenting a list of needs, local consultation meetings require citizens from the same region to work collaboratively to identify the region's priorities.
 - Local collaboration can help ensure our dollars are being invested efficiently and effectively across the region rather than a case by case basis, which may not serve the region's overall priorities.

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More Frequent and Flexible Project Selection

- Throughout the LRTP and T-LINK, I heard continuously about the importance of having flexibility in project selection. Selecting projects 10-years in advance is very limiting for communities trying to accommodate emerging/potential economic growth. We need for projects to be selected more frequently such as every few years rather than once a decade.
- The challenge to providing KDOT more flexibility is to not have it come at the expense of transparency or accountability. I think a project selection process that includes engineering data, local consultation and economic impact analysis creates a transparent, credible process for how our state makes decisions. And I'm pleased that these elements have made it into the legislative language.
- The real strength is this process allows for local and legislative input, but still has the parameters in place to keep it from being politicized. Communities are very resistant to having politics play a larger role in project selection and believe the state is served better in the long run to have transportation decisions remain nonpartisan.
- Finally, I'd like to conclude with mentioning that even if we cannot fund a new program, it is important for KDOT to continue to move forward with many of the business model changes mentioned in this bill. With a better framework in place, Kansas will be in a position to maximize the new transportation dollars once they become available.

Thank you for the opportunity to testify on such an important issue for not only my community but our entire state.

**TESTIMONY BEFORE
HOUSE TRANSPORTATION COMMITTEE**

**REGARDING HOUSE BILL 2382
RELATING TO A NEW TRANSPORTATION PROGRAM**

Mr. Chairman and Committee Members:

I am Deb Miller, Kansas Department of Transportation (KDOT) Secretary, and I am here to testify in support of House Bill 2382 relating to a new transportation program.

As we near the end of the current Comprehensive Transportation Program (CTP), we are very pleased to see the Legislature begin work on a new program. Our previous programs generated thousands of jobs and great economic benefits for our state, and it's clear that Kansas needs a strategic approach to transportation to stay competitive. Over the past two years, KDOT has worked extensively with communities and the T-LINK task force to develop recommendations for a new transportation program. I am very pleased to see that many of the T-LINK recommendations were incorporated into this bill. I'm going to focus on the elements of this bill which differ significantly from the CTP and if they are enacted could benefit our state this year.

Throughout the T-LINK process, we heard continuously about the importance of linking transportation to Kansas' economic priorities. As a result, T-LINK recommends incorporating economic impact analysis into project selection for all transportation modes. Currently, KDOT does not consider information about potential economic impacts and instead relies solely on engineering data. T-LINK recommends having engineering data, local consultation and economic impact analysis all play a role into project selection. We believe having economic impact analysis incorporated into project selection will help us to address emerging economic opportunities and get the maximum return on our investments.

In addition, we heard communities across the state stress the importance of having flexibility when selecting projects to allow the state to capture emerging economic opportunities. A weakness of the CTP was that projects were selected 10-years in advance, which means if project needs were not on the state's radar at the time the bill passed, we would not have funding to address them until the passage of the next program. For example, the return of the Big Red One and the relocation of the National Bio and Agra Sciences Facility to Manhattan are major developments with transportation implications that we did not know about when the CTP passed in 1999. Given the economic importance of these developments, providing KDOT the flexibility to select projects will help ensure Kansas can capitalize on emerging opportunities.

The Governor has directed KDOT to begin developing a project selection process that allows for flexibility and incorporates economic analysis. We are forming a working group and it would be very helpful to have legislative involvement in this process—either by having Legislators serve as members or by providing Legislators a report of our progress.

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Granting KDOT the authority to manage its debt within an 18 percent revenue-to-debt service cap is another important component to providing the flexibility to meet emerging opportunities. Currently, the Legislature authorizes KDOT to issue a specific dollar amount of debt. T-LINK concluded that a bond cap would be a better approach to provide KDOT flexibility to meet time-sensitive needs. The proposed 18 percent is based on maintaining an approximate four times revenue-to-debt service ratio which rating agencies consider conservative and responsible, and bond issuance would require approval by the Finance Council. An established cap protects the State from overexposure to debt from transportation. It's important to move forward this session with implementing the bond cap so we can address economic needs in the nearer term.

As you may know, this bill changes the names for the types of highway projects. In the past, projects were identified by how they were selected; the new names are based on work type. We believe these names: Preservation, Modernization and Capacity/Economic Opportunity will resonate better with the public and were pleased to see the change. However, it should be noted that the proposed legislation also includes System Enhancement projects, which were found in past programs. It is T-LINK's recommendation to have projects that were known as System Enhancement projects become categorized under Modernization or Capacity/Economic Opportunity projects. To be clear, T-LINK does not call for the elimination of the types of projects System Enhancements addressed; rather it recommends expanding the selection process. Thus, while we don't object to including System Enhancements in the bill, I believe they are already covered in Modernization and Capacity/Economic Opportunities.

We are very pleased to see that this bill maintains a commitment to preservation. Preservation is the top priority of T-LINK. Kansans have invested billions of dollars and to not protect that investment would be very costly. Preventative maintenance is much cheaper than having to rebuild roads. In addition, a recent KDOT study found that a 60 percent reduction in highway preservation spending would cost the Kansas economy 12,000 jobs and \$670 million in Gross Domestic Product by 2020.

Finally, I recognize that despite our substantial needs, the current economic situation will not allow us to increase funding for transportation. However, I do think it would serve Kansas well for the Legislature to enact the proposed business models found in this bill. Even without funding, these changes will help the state provide more efficient transportation, which could not be more important given our economic situation.

Thank you for your time and I will now stand for questions.



Overview of Public Transit in Kansas For the House Transportation Committee

R.E. "Tuck" Duncan, Executive Director
Kansas Public Transit Association

Public transit in Kansas provided approximately 10 million rides for residents across the state in 2007 and in excess of same in 2008. In sparsely populated rural Kansas, about 180 small transit operators provide a fragmented patchwork of mostly public on-demand and client-specific transit service spread over a wide geographic area. In more densely populated urban areas of the state, five large transit operators offer scheduled bus service along fixed routes. Several mid-size communities (Garden City and Salina for example) also offer fixed route service. Transit in Kansas provides important economic, health, and social benefits by giving citizens without regular access to a personal vehicle a way to get to work or to make important personal trips and to maintain their independence. In urban areas of the state, buses help alleviate traffic congestion and reduce air pollutant emissions.

Most rural and urban transit agencies in Kansas are struggling to manage rapidly increasing costs driven by growing ridership, higher fuel costs, need for new vehicles, demand for longer hours of service, wider coverage areas, and demand for shorter waiting times between buses on fixed routes. Increases in federal, state, and local funding for transit have not kept pace with cost increases.

Over the last eight years, transit ridership in urban and rural Kansas has grown by 48 percent. Long term trends driving ridership growth include an aging population that is more reliant on transit for basic transportation needs such as access to health care and other necessities and the cost-effectiveness of transit compared to driving. The recent study of Kansas Transportation needs: New Approaches for Transportation, prepared by the T-LINK (Transportation-Leveraging Investments in Kansas) Task Force, 2009, heard about the importance of transit at all of its local consultation meetings.

The following map depicts the number of General Public Transportation providers offering significant public transit services, such as trips with both origins and destinations in a county. Specialized transit providers for the elderly or disabled are not included. Some of the counties that have no significant services on the map might have some service (often destinations) but not enough to show that significant services are offered within the county. Many counties in western Kansas have no significant public transit service.



League of Kansas Municipalities

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Date: March 26, 2009
To: House Transportation Committee
From: Larry R. Baer
Assistant General Counsel
Re: HB 2382
Testimony in Support

Thank you for allowing me to present testimony on behalf of the League of Kansas Municipalities and its member cities. The League has been a long time supporter of a statewide transportation program and therefore stands in support of House Bill 2382.

The transportation infrastructure in Kansas is critical to the safety of our citizens as well as the economy of the state. The State and local governments should continue to cooperate to ensure the existence of a plan to maintain our current transportation infrastructure and to enhance our existing transportation assets.

In addition, the League believes that the prosperity of the State of Kansas is dependent upon the prosperity of our cities. To this end, LKM also believes that transportation infrastructure is critical to the growth, development and continued vibrancy and prosperity of our cities. Thus, because transportation infrastructure is critical to the community development activities of cities, the League supports the continued maintenance and expansion of the transportation infrastructure.

Transportation is more than roads and bridges. It includes airports and air services, rail services, recreation trails and multimodal transportation. A comprehensive transportation program is required to most efficiently accomplish a meaningful and coordinated blend of all of these elements.

For the above stated reasons, the League of Kansas Municipalities supports HB 2382.



**Testimony before the House Transportation Committee
HB 2382 – Enacting a 10 Year Comprehensive Transportation Plan
Submitted by J. Kent Eckles, Vice President of Government Affairs**

Thursday, March 19th, 2009

The Kansas Chamber of Commerce appreciates the opportunity to submit testimony in favor of House Bill 2382, which would enact a 10-year comprehensive transportation plan.

Transportation Infrastructure as an Investment

There is absolutely no question adequate infrastructure is highly valued by both the business development communities and existing Kansas businesses.

The 2007 Area Development Corporate Survey (attached) of site selection consultants shows “highway accessibility” as the number one ranked factor consultants consider either “very important” or “important” when advising companies to locate operations in a given state.

Access to transportation of all modes – roads, air, water, rail – is essential to getting business products to market and the workforce to their places of employment. A 2008 CNBC study entitled “America’s Top States for Business” (attached) ranked each state’s transportation system by value of goods shipped by air, land and water and the availability of air travel and quality of roads. Kansas fared well in the survey with a national ranking of eight on transportation infrastructure.

Additionally, Reason Foundation’s 17th Annual Report recognized the State of Kansas as the 5th ranked public-owned highway and road system in the nation – the second consecutive year Kansas has ranked in the top 5 nationally. (KDOT Press Release attached).

Given these rankings, it is clear that investments in our State’s infrastructure help make Kansas an attractive place to do business.

Impact of Transportation Funding on Overall Business Climate

We agree with Governor Sebelius and Kansas Department of Transportation Secretary Deb Miller that the approach of this bill is the correct one – a comprehensive transportation plan’s framework should be implemented now and that funding mechanisms should be implemented at a later date when the state’s fiscal climate improves and we can ascertain what the impending federal highway reauthorization bill provides for the state.

The business community has concerns regarding funding mechanisms being considered for a Comprehensive Transportation Plan (CTP) in this dire fiscal climate, particularly increased energy costs and higher taxes. We submit as evidence the results of our most recently conducted CEO Poll (attached) clearly showing that the reduction of fuel and energy costs and the lowering of taxes rank first and second respectively when participants were asked “What factors are most important to the profitability of your business?”

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Finally, if one refers back to the aforementioned rankings of site selection consultants and poll of existing Kansas companies, it is clear the state must balance several factors to remain an attractive state in which to do business – not just making investments in infrastructure at the expense of the state’s overall tax climate or the cost of doing business.

In summary, the Chamber believes House Bill 2382 takes the right track in establishing a new 10-year CTP for the following reasons:

- The current state budget crisis and the negative affect additional taxes would place on both individuals and the business community, especially during this economic climate.
- The federal administration and Congress are set to pass a national transportation plan next year, which funds a third of the state’s infrastructure needs.

The Kansas Chamber, with headquarters in Topeka, Kansas, is the leading statewide pro-business advocacy group moving Kansas towards becoming the best state in America to live and work. The Chamber represents small, medium, and large employers all across Kansas. Please contact me directly if you have any questions regarding this testimony.



835 SW Topeka Blvd. Topeka, KS 66612 785.357.6321

Corporate Survey 2007
Combined Ratings* of 2007 Factors
Site Selection Factors **2007**

Ranking

1.	Highway accessibility	96.9
2.	Labor costs	92.3
3.	Energy availability and costs	89.0
4.	Availability of skilled labor	88.7
5.	Occupancy or construction costs	88.2
6.	Available land	85.4
7.	Corporate tax rate	83.8
8.	State and local incentives	83.4
9.	Environmental regulations	83.2
10.	Tax Exemptions	82.8

**All figures are percentages and are the total of “very important” and “important” ratings of the Area Development Corporate Survey and are rounded to the nearest tenth of a percent.*

SOURCE:

<http://www.areadevelopment.com/corpSurveySeries/feb08/taxesAndIncentives.shtml>



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Access to transportation in all its modes is key to getting your products to market and your people on the move. We measured the vitality of each state's transportation system by the value of goods shipped by air, land and water. We looked at the availability of air travel in each state, and the quality of the roads.

Here are the ten categories ranked in our study:

- Cost of Doing Business
- Workforce
- Economy
- Education
- Quality of Life
- Technology & Innovation
- Transportation
- Cost of Living
- Business Friendliness
- Access to Capital



Overall	State	Cost of Business	Workforce	Economy	Education	Quality of Life	Technology & Innovation	Transportation	Cost of Living	Business Friendliness	Access to Capital
1	Texas	27	12	1	30	22	4	1	3	20	3
8	Georgia	16	3	31	32	42	16	2	9	14	14
30(tie)	Ohio	30	46	40	12	19	17	2	16	42	20
13	Indiana	6	27	37	19	31	23	4	11	3	28
29	South Carolina	9	2	39	37	49	31	4	15	28	25
35	Kentucky	14	20	45	38	40	38	6	18	28	22
21	Tennessee	12	5	37	42	43	25	7	1	9	29
11	Kansas	24	11	21	13	33	31	8	8	11	30
10	Minnesota	29	31	27	9	5	11	8	31	16	15
24	Missouri	8	26	43	19	39	26	10	5	23	26
20	Oregon	18	14	35	29	26	20	11	39	27	16
30(tie)	Illinois	44	44	14	25	16	7	12	23	35	12
2	Virginia	11	8	17	11	28	14	13	27	2	13
37	Wisconsin	36	47	36	9	25	22	13	22	28	27
6	North Carolina	22	3	23	27	38	18	15	20	10	10
25	California	48	21	7	31	4	1	16	49	48	1
23	Pennsylvania	38	43	32	6	12	9	16	29	28	6
17	Florida	42	1	20	39	23	9	18	34	16	9
45	Nevada	37	16	34	49	34	29	18	38	23	32
16	North Dakota	4	23	18	23	19	47	20	17	14	46
40	Michigan	34	39	48	28	23	8	21	25	39	24
38	New Mexico	21	32	8	44	44	36	22	26	46	23
18(tie)	Washington	35	37	11	17	9	6	22	36	34	4
4	Idaho	5	7	5	48	26	27	24	14	33	34
12	Arizona	23	6	8	43	36	19	25	35	6	18
43	Louisiana	28	28	14	40	50	40	25	19	41	33
26	New York	50	49	2	1	3	2	25	46	42	5
7	South Dakota	1	19	14	24	21	50	25	2	4	44
33	Montana	26	36	10	16	30	45	29	31	44	45
22	Nebraska	19	28	28	21	12	36	29	7	28	49
46	Mississippi	17	15	46	50	48	46	31	10	44	37
3	Utah	10	10	3	46	6	21	32	24	6	19
14	Wyoming	12	17	6	14	17	48	33	28	22	47
28	Oklahoma	6	30	3	45	41	35	34	4	23	35
5	Colorado	25	13	11	35	7	13	35	30	5	11
32	Arkansas	3	9	33	33	47	43	36	6	35	47
15	Massachusetts	41	34	25	1	15	4	36	42	13	2
18(tie)	New Jersey	45	40	21	4	1	2	36	48	35	8
9	Iowa	2	25	29	15	17	31	39	13	11	42
44	Maine	43	45	44	8	14	41	40	37	23	40
36	Maryland	33	41	25	22	37	11	40	45	20	7
47	West Virginia	15	48	46	36	32	49	42	21	50	36
42	Alabama	19	22	23	47	45	39	43	11	39	31

34	Connecticut	47	38	30	5	11	15	44	44	16	17
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27	New Hampshire	32	33	41	7	2	24	45	40	16	17
MOBILE	CNBC HD										
29	Vermont	40	34	42	13	10	31	46	41	16	38
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48	Rhode Island	46	18	49	17	29	30	48	43	47	39
49	Hawaii	49	50	13	34	8	43	49	50	49	43
50	Alaska	38	42	50	41	35	42	50	47	35	49



Bureau of Transportation Information
700 SW Harrison
Topeka, KS 66603-3754

NEWS RELEASE

Kansas Department of Transportation news release

Aug. 15, 2008

08-315

FOR IMMEDIATE RELEASE

News Contact: Stan Whitley, (785) 296-3585

Kansas ranks high in national transportation report

The Kansas Department of Transportation has been recognized as maintaining the fifth best state-owned road and highway system in the nation, according to a California research foundation.

The Reason Foundation recognized KDOT following a study that measured the performance of state-owned roads and highways in 12 different categories.

“Kansas’ ranking reflects the investment by taxpayers in two multibillion highway construction programs,” said Jerry Younger, KDOT Deputy Secretary for Engineering and State Transportation Engineer. “It goes to show what a well-funded, fiscally responsible transportation program will do for your system.”

Kansas was ranked first in the national study in two categories – rural interstates and urban interstates with miles in poor condition. Kansas has no miles in either category that rated poor.

Reason Foundation’s 17th annual report identified the best and worst transportation

systems based on measures related to cost-effectiveness, maintenance and administrative costs, congestion, traffic fatalities, and road and bridge surface conditions.

It is the second straight year that Kansas has rated in the top five nationally.

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This information can be made available in alternative accessible formats upon request. For information about obtaining an alternative format, contact the Bureau of Transportation Information, 700 SW Harrison St., 2nd Fl West, Topeka, KS 66603-3754 or phone 785-296-3585 (Voice) (TTY).

THE KANSAS CHAMBER

Most Important to Profitability: Including Energy Cost as an Option

MENTIONED:	Without	With
Workers' Compensation	11%	4%
Unemployment Compensation	5%	1%
Managing health care costs	37%	23%
Lower taxes on business	42%	35%
Decrease regulation/mandates	14%	13%
Stop frivolous lawsuits/Tort reform	18%	13%
Limit growth of state government	11%	16%
Economic incentives for business	25%	13%
Reduce fuel and energy costs		42%



Results from Kansas Chamber CEO Poll
Surveys Conducted August 27 – September 3, 2008

sitive economic opportunities on a local or a regional basis.

~~[(h)] The secretary of transportation shall, using the department of transportation selection methods and criteria, determine the projects to be selected for inclusion under the transportation program.~~

~~[(i)] The transportation plan authorized by this section shall not be implemented until funding is provided.~~

Sec. 2. K.S.A. 68-416 is hereby amended to read as follows: 68-416. The state highway fund shall be apportioned as follows:

(a) The secretary of transportation annually shall apportion and distribute quarterly, on the first day of January, April, July and October, to cities on the state highway system from the state highway fund moneys at the rate of \$3,000 per year per lane per mile for the maintenance of streets and highways in cities designated by the secretary as city connecting links. Unless a consolidated street and highway fund is established pursuant to K.S.A. 12-1,119, and amendments thereto, all moneys distributed by the secretary shall be credited to the street and alley funds of such cities. All moneys so distributed shall be used solely for the maintenance of city connecting links. Maintenance of such city connecting links shall be as prescribed in K.S.A. 68-416a, and amendments thereto. As used in this subsection, "lane" means the portion of the roadway for use of moving traffic of a standard width prescribed by the secretary. In lieu of such apportionment, the secretary, by and with the consent of the governing body of any city within the state of Kansas, may maintain such streets within the city and pay for such maintenance from the highway fund.

(b) All of the remainder of such highway fund shall be used by the secretary of transportation for:

(1) The construction, improvement, reconstruction and maintenance of the state highway system;

(2) improvements in transportation programs to aid elderly persons, persons with disabilities and the general public;

(3) for any purpose specified in ~~K.S.A. 68-2314a section 1, and amendments thereto;~~

(4) the support and maintenance of the department of transportation;

(5) the expenses of administering the motor vehicle registration and drivers' license laws; and

(6) the payment of losses to department of transportation employees authorized by K.S.A. ~~2002~~ 2008 Supp. 75-5062, and amendments thereto.

Sec. 3. K.S.A. 2008 Supp. 68-2315 is hereby amended to read as follows: 68-2315. Annually, prior to the 10th day of each regular session of the legislature, the secretary of transportation shall submit a written report to the governor and each member of the legislature providing:

(a) Summary financial information and a statement of assurance that

(h) Contingent on the findings of the Amtrak feasibility study, the transportation program shall provide for a passenger rail program to provide passenger service in the state.

(i)

(j)

House Transportation
Date: 3-19-09
Attachment # 9