

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 8:30 a.m. on March 19, 2009, in Room 136-N of the Capitol.

All members were present except:

Senator Anthony Hensley- excused

Committee staff present:

Mike Corrigan, Office of the Revisor of Statutes  
Jill Shelley, Kansas Legislative Research Department  
Cindy Shepard, Committee Assistant

Conferees appearing before the Committee:

Tim Rogers, Executive Director, Salina Airport Authority and Co-chair of T-LNK  
Bernie Hayen, Finance Director, City of Manhattan and T-LINK Member  
Pat Weaver, Executive Director, University of Kansas Transportation Center and T-LINK Member  
Howard Partington, City Administrator, Great Bend, Kansas  
Deb Miller, Secretary of Transportation, State of Kansas

Others attending:

See attached list.

The Chairman opened the continued hearing on **SB 323 - 2010 transportation plan, financing thereof**.

Tim Rogers, Executive Director of the Salina Airport Authority and Co-chair of T-LINK, spoke in support of **SB 323** relating to the findings and recommendations of the T-LINK task force (Attachment 1).

- T-LINK Process
- Better Business Models
- Multimodal Approach

Bernie Hayen, Finance Director for the City of Manhattan and T-LINK Member, appeared as a proponent of **SB 323** in regard to local consultation in the proposed legislation (Attachment 2).

- More Financing Options for Locals
- Local Roads

Pat Weaver, Executive Director of the University of Kansas Transportation Center, and T-LINK Member, testified in favor of **SB323**'s multimodal approach to transportation with emphasis on transit (Attachment 3).

- Increased Transit Need
- Increased Transit Funding
- Regional Transit Approach

Howard Partington, City Administrator of Great Bend, appeared in support of **SB323** relating to local consultation in the proposed legislation (Attachment 4).

- Value of Local Consultation
- More Frequent and Flexible Project Selection

Deb Miller, Secretary of the Kansas Department of Transportation (KDOT), testified in support of **SB 323** relating to a new transportation program. She stated over the past two years, KDOT has worked with communities and the T-LINK task force to develop recommendations for a new transportation program. As a result, T-LINK recommends: incorporating economic analysis into project selection for all transportation modes, developing a project selection process that allows for flexibility, a bond cap of 18 percent revenue-to-debt services, changing the names for the types of highway projects, and maintaining a commitment to preservation (Attachment 5).

Discussion followed, and the Chairman announced the hearing on **SB 323** will continue on March 20.

The meeting was adjourned at 9:30 a.m. The next meeting is scheduled for March 20, 2009.

# SENATE TRANSPORTATION COMMITTEE GUEST LIST

DATE: 3-19-09

| NAME                                 | REPRESENTING               |
|--------------------------------------|----------------------------|
| Timothy Rogers, Selina August Arthur | KDOT T-LINK Task Force     |
| Pat Weaver, University of Kansas     | T-LINK Task Force          |
| BERNIE HAYEN                         | T-LINK TASK FORCE          |
| Amber Hayen                          | guest                      |
| Kent Eckles                          | KS Chamber of Commerce     |
| ERIK SARTORIUS                       | City of Overland Park      |
| LARRY K BARR                         | LKM                        |
| Bill Sneed                           | State Farm                 |
| Joe Mosimann                         | Hein Law                   |
| Ron Seebur                           | KBFA                       |
| Whitney Jamon                        | KS Good Roads, Inc.        |
| SEAN MILLER                          | CAPITOL STRATEGIES         |
| Terry Heidner                        | KDOT                       |
| Patrick DeWiley                      | Economic Lifelines         |
| BRUCE BURDITT                        | KDOT                       |
| Bob Totten                           | KS Contractors Association |
| Reed Davis                           | KDOT                       |
| Sosh Smith                           | Intern, Sen. Pyle          |
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TESTIMONY BEFORE  
SENATE TRANSPORTATION COMMITTEE

REGARDING SENATE BILL 323  
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 SB 323.

**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](http://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

- 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.



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TESTIMONY BEFORE  
SENATE TRANSPORTATION COMMITTEE

REGARDING SENATE BILL 323  
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 Senate Bill 323.

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.



## 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  
SENATE TRANSPORTATION COMMITTEE

REGARDING SENATE BILL 323  
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 Senate Bill 323.

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

Senate Transportation  
3-19-09  
Attachment 3



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TESTIMONY BEFORE  
SENATE TRANSPORTATION COMMITTEE

REGARDING SENATE BILL 323  
RELATING TO A NEW TRANSPORTATION PROGRAM

I am Howard Partington, City Administrator of Great Bend, and I'm here to speak in support of Senate Bill 323.

**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.

Senate Transportation  
3-19-09  
Attachment 4



## 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  
SENATE TRANSPORTATION COMMITTEE**

**REGARDING SENATE BILL 323  
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 Senate Bill 323 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.

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.