

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 8:30 a.m. on March 16, 2010, in Room 152-S of the Capitol.

All members were present except:

Senator Anthony Hensley- excused

Committee staff present:

Bruce Kinzie, Office of the Revisor of Statutes

Daniel Yoza, Office of the Revisor of Statutes

Jill Shelley, Kansas Legislative Research Department

Cindy Shepard, Committee Assistant

Conferees appearing before the Committee:

Bill Feuerborn, Representative, State of Kansas

Pat Apple, Senator, State of Kansas

Dennis McKinney, Treasurer, State of Kansas

Tom Swensen, PE, PTOE, American Council of Engineering Companies of Kansas (ACEC)

Others attending:

See attached list.

The Chairman opened the hearing on **HB 2678 - Designating a part of U.S. highway 59 as the Vern Chesbro memorial highway.**

Bill Feuerborn, Representative, State of Kansas, testified in support of **HB 2678**. He spoke of Mr. Chesbro's career in politics and that he was a very respected member of his community, working tirelessly to promote his community and to pursue jobs and industry there. Representative Feuerborn stated he would be responsible for raising the money for the signs along the highway (Attachment 1).

Pat Apple, Senator, State of Kansas, appeared as a proponent of **HB 2678**. He stated that earlier this year he began the process of drafting a resolution honoring the life of Vern Chesbro, but due to the untimely passing of Mr. Chesbro, the resolution was not submitted to the full Senate. Senator Apple provided the draft resolution for review and when the family is comfortable, he will proceed with the resolution. He concluded his testimony noting that Mr. Chesbro was involved in public service and the political process most of his life, starting as a page in the Kansas Senate. The story of his paging experience is included with Senator Apple's testimony (Attachment 2).

There being no further conferees, the hearing on **HB 2678** was closed.

Seeing no opposition, the Chairman indicated he would like to work the bill today. Senator Apple moved, Senator Donovan seconded, to recommend **HB 2678** favorably for passage. Motion carried.

Chairman Umbarger called for final action on **HB 2486 - Extending school bus exception to 25 years.** Bruce Kinzie, staff revisor, reviewed a balloon amendment requested by Senator Apple (Attachment 3).

Senator Apple moved to untable **SB 538 - Extending school bus exemption to 25 years, and change the exemption year on the proposed balloon amendment to 2013.** After discussion, Senator Apple withdrew his motion.

Senator Kultala moved, Senator Marshall seconded, to adopt Senator Apple's balloon amendment as originally drafted. Motion carried.

Chairman Umbarger indicated intent to amend **HB 2486** by inserting contents of **HB 2561 - Allowing transit buses to be operated on right shoulder of certain highways** into the bill.

Senator Huntington moved, Senator Kultala seconded, to further amend **HB 2486** by inserting contents of **HB 2561** into the bill.

CONTINUATION SHEET

Minutes of the Senate Transportation Committee at 8:30 a.m. on March 16, 2010, in Room 152-S of the Capitol.

Discussion followed relating to the operation of busses on highway shoulders. The Chairman called on Kansas Department of Transportation (KDOT) to answer questions.

Lisa Koch, Public Safety Manager, KDOT, presented additional information which was requested from Johnson County Transit, at the March 9, 2010 hearing on **HB 2561**, relating to Bus On Shoulders operations. (Attachment 4).

After discussion, Senator Apple requested additional information from Johnson County Transit and KDOT regarding the merging of the buses back into traffic before proceeding with any further action on **HB 2561**.

Senator Huntington withdrew her motion to further amend **HB 2486** with the contents of **HB 2561**, Senator Kultala seconded.

Senator Kultala moved, Senator Huntington seconded, to recommend **HB 2486** as amended, favorably for passage. Motion carried.

The Chairman opened the continued hearings on **SB 498 - Transportation works for Kansas program, financing** and **SB 515 - Transportation works for Kansas, financing, sales tax on motor-vehicle fuels**.

Dennis McKinney, Treasurer, State of Kansas, testified in support of **SB 498**. He stated that our commitment to our transportation infrastructure is a key investment that will help us to grow our economy while keeping us poised to take full advantage of opportunities as the national economy rebounds. He encouraged consideration of the following ideas in a new transportation plan for our state:

1. Include measures to ensure state wide distribution of projects to address needs in all regions
2. Projects sized in small enough bids allowing maximum participation by Kansas contractors
3. Select contractors based on lowest and best bid
4. Require a list of projects be submitted annually to the legislature for review
5. Require approval by the State Finance Council prior to letting if revolving bonding authority is used and require bond issues be handled by Kansas Development Finance Authority
6. Include T-LINK proposal of reserving a small percentage of the 18% debt service cap allowing issuance of bonds, to build fast emerging projects with significant economic impact
7. Accompany a new comprehensive transportation plan, by the stabilization fund concept found in **SCR 1627**, to insure the Highway Fund is not raided in tough times

He added a concern in regard to extending the limitation on bond maturity from 20 years to 25 years, which ties up the money for longer periods of time and restricts options for future legislators. In conclusion, he stated that we have created a first class transportation system in Kansas and while our decisions this year are difficult, Kansans 20 years from now will hold a dim view of us if we allow our transportation assets to deteriorate due to poor stewardship (Attachment 5).

Tom Swensen, PE, PTOE, on behalf of American Council of Engineering Companies of Kansas (ACEC), presented testimony in support of **SB 498** and **SB 515** as they relate to financing transportation in Kansas. He noted that ACEC of Kansas includes 75 member firms representing more than 5,000 employees. According to Mr. Swensen, area engineering firms have reduced staff sizes by at least 25 percent in the last 18 months. The outlook for businesses that deal in transportation is not promising at this point in time, and there are other unfortunate consequences to the current situation. The jobs being lost, pay well and are held by well-educated and well-trained individuals. These people are moving to where they can be employed and are unlikely to return to Kansas (Attachment 6).

The Chairman announced the hearing on **SB 498** and **SB 515** would continue this afternoon, on adjournment, in Room 548-S of the Capitol.

The meeting was adjourned at 9:33 a.m. The next meeting is scheduled for March 17, 2010.

SENATE TRANSPORTATION COMMITTEE GUEST LIST

DATE: 3/16/10

NAME	REPRESENTING
TOM SWENSON	ACEC Kansas
Patrick Hawley	Economic Development
DAN RAMLOW	KS Contractors Assn
KIP SPRAY	Venture Corp - Great Bend
Bernie Koch	KEPC
Terry Heidner	KDOT
Scott Heidner	ACEC Kansas
Whitney Jann	KS Good Roads
Tom Kuhn	KRSB
Ron Seebc	KQFA
KEVIN GREGG	KMCA
TOM WHITAKER	KMCA
Mark Boranyak	Capitol Strategies
Joe Mosigmann	Parca of KS
Ted Saff	KDOT

BILL FEUERBORN
 REPRESENTATIVE 5TH DISTRICT
 ANDERSON, FRANKLIN, MIAMI COUNTIES



TOPEKA

HOUSE OF
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS
 RANKING DEMOCRAT APPROPRIATIONS
 MEMBER EDUCATION BUDGET
 JOINT COMMITTEE ON STATE
 BUILDING CONSTRUCTION
 CAPITOL RESTORATION
 CLAIMS AGAINST THE STATE

March 16, 2010

Senator Umbarger and Members of the Committee:

Thank you for this opportunity to come before you today to testify on HB 2678, which designates a part of Highway 59 as the Vern Chesbro Memorial highway.

Vern Chesbro was born in Ottawa, Kansas in 1925 and retired there in 1983. One of his greatest passions was politics and he became a leader in the Kansas Republican Party, serving as executive director, Republican state chairman and as a member of the National Republican Committee. He was a strong believer in the two-party system and was respected by leaders in both parties.

Following his retirement, he pursued an active community career, serving many times as a board member or committee member with the Ottawa Chamber of Commerce, The Ottawa-Franklin County Economic Development Organization and the Ransom Hospital Charitable Board to name a few. He also served on a number of state and national committees. He was on the Kansas Public Employees Retirement System (KPERs) board for 10 years, serving as chairman for two.

He was a 50 year member of the Ottawa Lodge #18, a 56 year "life" member of the Ottawa Elks Lodge and a member of the Veterans of Foreign Wars, the American Legion and the Ottawa Kiwanis Club.

Vern Chesbro was a very respected member of his community and worked tirelessly to promote his community and to pursue jobs and industry there.

It is a great privilege to appear before you today to request that a portion of Highway 59 from I-35 to the Franklin-Douglas county line be designated as the Vern Chesbro Memorial highway. There is no fiscal note connected with this request as I will be responsible for raising the money for signs along the highway.

Thank you.

Bill Feuerborn, Representative
 5th District

STATE OF KANSAS



TOPEKA

SENATE CHAMBER

COUNTIES
ANDERSON, FRANKLIN,
LINN & MIAMI

COMMITTEE ASSIGNMENTS
CHAIRMAN: UTILITIES
ETHICS AND ELECTIONS
TRANSPORTATION
WAYS & MEANS

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Testimony Presented to
The Senate Transportation Committee
By Senator Pat Apple
March 16, 2010
Concerning SB2678

Chairman Umbarger and members of the Senate Transportation Committee,

Thank you for the opportunity to testify in support of House Bill 2678 naming part of U.S. 59 as the Vern Chesbro Memorial Highway.

Early this year I began the process to draft a senate resolution to honor the life of Vern Chesbro. The draft of the resolution is attached for your review. Due to the untimely passing of Vern, the resolution was not submitted to the full Senate. I have asked his family to let me know when they are comfortable with proceeding with the resolution.

Vern was involved in public service and the political process most of his life. In fact he paged in the Kansas Senate as a young boy and his story is attached. After paging in the Kansas Senate, Vern continued his public service the remainder of his life, always involved in Ottawa, Franklin County and the State of Kansas. He will truly be missed but he will be remembered as a person who deeply cared about his community. He was always willing to work towards a solution to any problem. He was a gentle person and a person who encouraged others, especially to be involved.

I ask for your support of House Bill 2678.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Pat Apple', with a long, sweeping underline.

Senator Pat Apple
Kansas Senate, District 12

Senate Transportation
3-16-10
Attachment 2

A RESOLUTION congratulating and commemorating Vern Chesbro for over sixty years of dedicated public service and involvement with state and local political activities.

WHEREAS, Vern Chesbro began his lifelong involvement in politics as a full-time page in the Kansas State Senate in 1941. During his time as a page, the capitol murals were being painted by John Stueart Curry and Vern was able to watch the artist at work which made a great impression upon him as a young man; and

WHEREAS, After serving in the merchant marines and in the United States Navy, Vern returned to Ottawa and began seeing a high school friend, Phyllis Hart, whom he married in 1946. Vern was active as a young Republican during college and subsequently became an elected Chairman of the Franklin County Republican Committee in 1954; and

WHEREAS, In 1958, Vern was elected District Chairman of the Second District of Kansas which at that time served Wyandotte, Johnson, Douglas, Franklin, Miami, Anderson, Linn and Cherokee Counties. As part of his position, Vern had the duty to fill all patronage appointments; as a result, he traveled the counties appointing postmasters and rural post office carriers; and

WHEREAS, Vern has had the opportunity to meet Presidents Eisenhower and Nixon and to attend both of their inaugurations. Vern later met President Ford while attending a political event in Washington, D.C.; and

WHEREAS, While his employment required him to live abroad in places like Trinidad and Tobago and Egypt, Vern remained involved in political activities through the U.S. Embassy. During his time in Egypt, Vern was able to meet President Jimmy Carter while President Carter was visiting Cairo; and

WHEREAS, In 1985, Vern was elected Chairman of the Kansas Republican Party and helped

to elect the first Republican governor that the state had seen in many years. In 1988, Vern attended the inaugural activities for President George H.W. Bush, and met with him several times when President Bush visited Kansas; and

WHEREAS, Vern was appointed by Governor Hayden to serve as a member of the Weigand Tax Advisory Committee. A few years later, he was appointed by Governor Finney as a Trustee of the Kansas Public Employees Retirement System, an appointment which he held for over ten years: Now, therefore,

Be it resolved by the Senate of the State of Kansas: Because of his remarkable life and his dedication to serving and representing the State of Kansas through various political activities and appointments, we do congratulate and commend Vern Chesbro and thank him for all the work and service he has done for, and in behalf of, the State of Kansas; and

Be it further resolved: That the Secretary of the Senate be directed to provide an enrolled copy of this resolution to Senators Pat Apple and Derek Schmidt.

PAGE BOY

Vern Chesbro

An experience that lasted a lifetime would probably be correct simply because this three month time period really did influence many of my activities and interests for the rest of my life.

During the summer of 1939 or 1940, and it really doesn't make a lot of difference which year it was, I held a part time job working for the Bentley Hardware store in Kinsley, Kansas. Howard Bentley was the owner manager and among other interests, he filed for the office of State Senator from the Edwards country area in the election of that year.

The Bentley Hardware had a small job press that was used to print advertising fliers for the store and Mr. Bentley decided to print most of his own campaign material. My after school and Saturday job was to print some of his campaign material on this little press.

One Saturday evening I went to see a new movie, "Mr. Smith goes to Washington". This was a very impressive movie for a fourteen year-old boy and I immediately wondered if such jobs were available in Kansas at the Capital in Topeka. No one would know much about this job in Western Kansas but I asked Mr. Bentley if, after he won the election, could I have a job as a Page in the Kansas Senate. He told me he would sure try. This possibility added a great deal of interest in his campaign and I was really hit hard when the election was over and my candidate lost.

At my age at the time I really didn't understand the finer points of the political patronage process so some time later I went across the street to the offices of the winner of the election, Attorney at Law, John Etling. I again applied for the job as a page in the Kansas Senate. Senator Elect Etling, either unaware of or more likely considered it unimportant, my job with Mr. Bentley, told me that he would check into this when he went to Topeka. When ever possible, I reminded Senator Etling that I was still very interested in becoming a page with the Kansas Senate. Soon after Christmas he and his family went to Topeka where we undertook his new job as a State Senator.

Within a day or so of the beginning of the legislative session I received a telegram from Senator Etling saying that I had the job and to come to Topeka.

This of course required a lot of quick decisions and activity. My mother knew a lady in Topeka and she called her and with her help we found a rental room for me near the Capital. I met with school officials and temporarily withdrew from school with the understanding that I could return and make up my school-work, subject of course to my doing the necessary make up work later in the school year. We made most of the arrangements within a day or so and with my mothers tearful farewell attendance, I got on the little train called the "doodlebug", and with a change in trains in Hutchinson, Kansas I went to Topeka.

Once I got to Topeka and reported to the Senate for my new job, this was a very different world than that of going to school in Kinsley, Kansas. We were paid the grand salary of \$2.00 per day and this was really adequate for me in the days of 1939/40. The pages, five or six in number in those days, really worked a full day. We were always on duty when the Senate was in session and had regular tasks before and after each session such as distributing printed material to the desks of each Senator and other tasks as assigned by the Senate permanent staff. We were required to be properly dressed and usually wore a dark suit. Each page had a badge that identified us by name and with the words, Kansas Senate on the badge. In those days we were hired for the full session which would be somewhere between two and three months.

After listening to the roll call every session, we very soon were able to recognize and call each of the 40 Senators by his name. I was of course particularly attentive to Senator Etling's wishes.

We often ate more or less on the run, the Statehouse had a snack bar as they do today and often this was where we grabbed something to eat. Now and then when the Senate was not yet in session we would go across the street, East of the Capital and eat at a streetcar diner on the Northeast corner of 9th and Jackson. My memory of a nickel order of mashed potatoes and gravy remains quite vivid.

While the Senate was in session we were always present, seated on each side of the Presidents raised platform and on call to any Senator by a clap of his hands. We delivered many notes and messages during the sessions to other Senators, their offices and to other State Offices within or near the Capital building.

We often had time to spare and were very familiar with the Capital building. We often went to the top of the dome, and now and then would have a snowball fight with the pages from the House of Representatives on the roof of one or the other wings of the Capital building. As Senate Pages we thought of ourselves as superior to the House Pages although we did about the same jobs and were paid exactly the same wages.

Probably some of the most meaningful memories, were the many times I would stand and watch the artist, John Steuart Curry, painting the murals that still adorn the walls of the State Capital of Kansas. At the time and unaware of the controversy that existed over his work, I had no appreciation of the fact that he was and would become even more famous. I would see these murals over the next sixty or more years on the many occasions I had to be in the Kansas State Capital Building.

When the Legislature adjourned, I returned to Kinsley, re-entered school and was able to make up my missed schoolwork with no interruption. This three month period passed very quickly, I learned much more than I could have in school. During the session I saved a little money, bought a camel colored car coat, and had an experience that began an interest in government and politics that have lasted my entire lifetime.

Postscript

Howard Bently later became a State Representative, moved to Hutchinson, Kansas and owned a company called Bentley Electric. He entered into some contracts with the State of Kansas and was often referred to in news articles as "Lightbulb Bentley"

Senator Etling during his time in the Senate had two small daughters. I would see them with him from time to time in and around the Senate. One of his daughters, Susan, later married and served as a State Representative from Edwards County. During the years I served as Director and Chairman of the Republican Party I became reacquainted with Susan Roenbaugh, State Representative from Edwards County.

HOUSE BILL No. 2486

By Committee on Transportation

1-20

Proposed Amendments to HB No. 2486
Senator Apple
Prepared by: Bruce Kinzie -- Revisor's office

Senate Transportation
3-6-10
Attachment 3

9 AN ACT regulating traffic; concerning school buses; amending K.S.A. 8-
10 2009a and repealing the existing section.

11
12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. K.S.A. 8-2009a is hereby amended to read as follows: 8-
14 2009a. (a) Every school bus, as defined in K.S.A. 8-1461, and amendments
15 thereto, shall be governed by the requirements of law and rules and reg-
16 ulations of the state board of education applicable to design, lighting
17 equipment, distinctive markings, special warning devices, and any other
18 equipment which are in effect on the date any such school bus is pur-
19 chased or otherwise acquired, and shall be exempt from the requirements
20 of law and rules and regulations which become effective at any time dur-
21 ing a period of ~~20 25~~ years from the date of manufacture of such school
22 bus, ~~except that any school bus which was in operation on July 1, 1994,~~
23 ~~and exceeds such 20-year period shall be exempt until July 1, 1998.~~ The
24 state board of education is hereby required to approve any such school
25 bus as to design, and as to lighting equipment, special warning devices,
26 distinctive markings, and any other equipment required by law and rules
27 and regulations, for operation as a school bus during such exemption
28 period upon submission of a request for such approval.

29 (b) The state board of education is authorized to establish the pro-
30 cedure to be followed when request for approval of any such school bus
31 is submitted under this section. The approval shall be in writing and a
32 copy of the written approval shall be carried in the school bus at all times,
33 but failure to carry such copy of the written approval shall not affect the
34 status of the school bus as an approved school bus. The state board of
35 education shall maintain a list of all such school buses which have been
36 approved by the board.

37 Sec. 2. K.S.A. 8-2009a is hereby repealed.

38 Sec. 3. This act shall take effect and be in force from and after its
39 publication in the ~~statute book~~.

20

except that any school bus which was in operation on the effective date of this act and exceeds such 20-year period shall be exempt until July 1, 2012

Kansas register



SUPPLEMENTAL INFORMATION FOR THE
SENATE TRANSPORTATION COMMITTEE

REGARDING HOUSE BILL 2561
RELATED TO ALLOWING BUSES TO DRIVE ON SHOULDERS

March 10, 2010

Mr. Chairman and Committee Members:

Thank you for the opportunity to discuss the Johnson County Transit Bus on Shoulder legislation yesterday morning. At that time, additional information was requested from Johnson County Transit regarding: 1) a schematic of the I-35 Corridor and where the Bus on Shoulder operation would occur, 2) signage for the operation and 3) how buses would respond to emergency personnel on the shoulder.

- 1) Attached please find a schematic of I-35 titled, "**Traffic Study Bus on Shoulder Lane Recommendations – Exhibit X**" that depicts where the buses will operate on the shoulder, in general purpose lanes or system to system general purpose lanes. Enhanced express bus service in the I-35 Corridor requires a means of providing buses an advantage over automobiles. Bus on Shoulder (BOS) operation is used successfully in a number of metro areas.

The BOS concept is straightforward. Buses are permitted to use the shoulder in designated sections of the freeway when traffic congestion reduces traffic speeds below a certain level, usually 35 mph. The designated BOS sections are predetermined based on the physical and operational characteristic of the shoulder and the freeway. Interchange areas are evaluated on a case-by-case basis to determine how buses can best operate through the interchange. BOS operation is only permitted where it can be used safely.

- 2) Signage for Bus on Shoulder operations - Signage for the Bus on Shoulder operation will be twofold; pavement markings and signs, much like those contained within this document. For more information see the following link, *Appendix B: I-35 Fixed Guideway Phased Implementation Study – I-35 Bus on Shoulder Evaluation*. http://www.thejo.com/pdf/misc/BOS_Tech_Memo_smaller.pdf
- 3) Emergency vehicles on the shoulder - The shoulder remains a shoulder in terms of its functions. If the shoulder is in use by a disabled vehicle or an emergency vehicle the bus cannot use the shoulder and must merge back into the adjacent traffic stream. Enforcement of state legislation that requires vehicles to move over a



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Senate Transportation
3-16-10
Attachment 4

lane or slow down as passing emergency vehicles, when operating bus on shoulder, is currently being evaluated by the Kansas Department of Transportation transit and legal staff. KDOT will be providing information directly to the committee.



Watch for Buses on Shoulder sign (posted at entrance ramps or cross streets)

Signs

Exception sign (posted at "pinch point" on BOS)



Typical Shoulder sign (posted approx every 1 mile) "Begin" or "End" signs may be posted above this sign

**No Special
Pavement
Markings**

Finally, the link below is to the PowerPoint presentation that was shown to KDOT staff in FY 2009. It may answer other questions that you have on this service strategy.
<http://www.thejo.com/pdf/misc/03-27-09-FINAL.ppt>

Thank you in advance for your help and consideration on this matter.

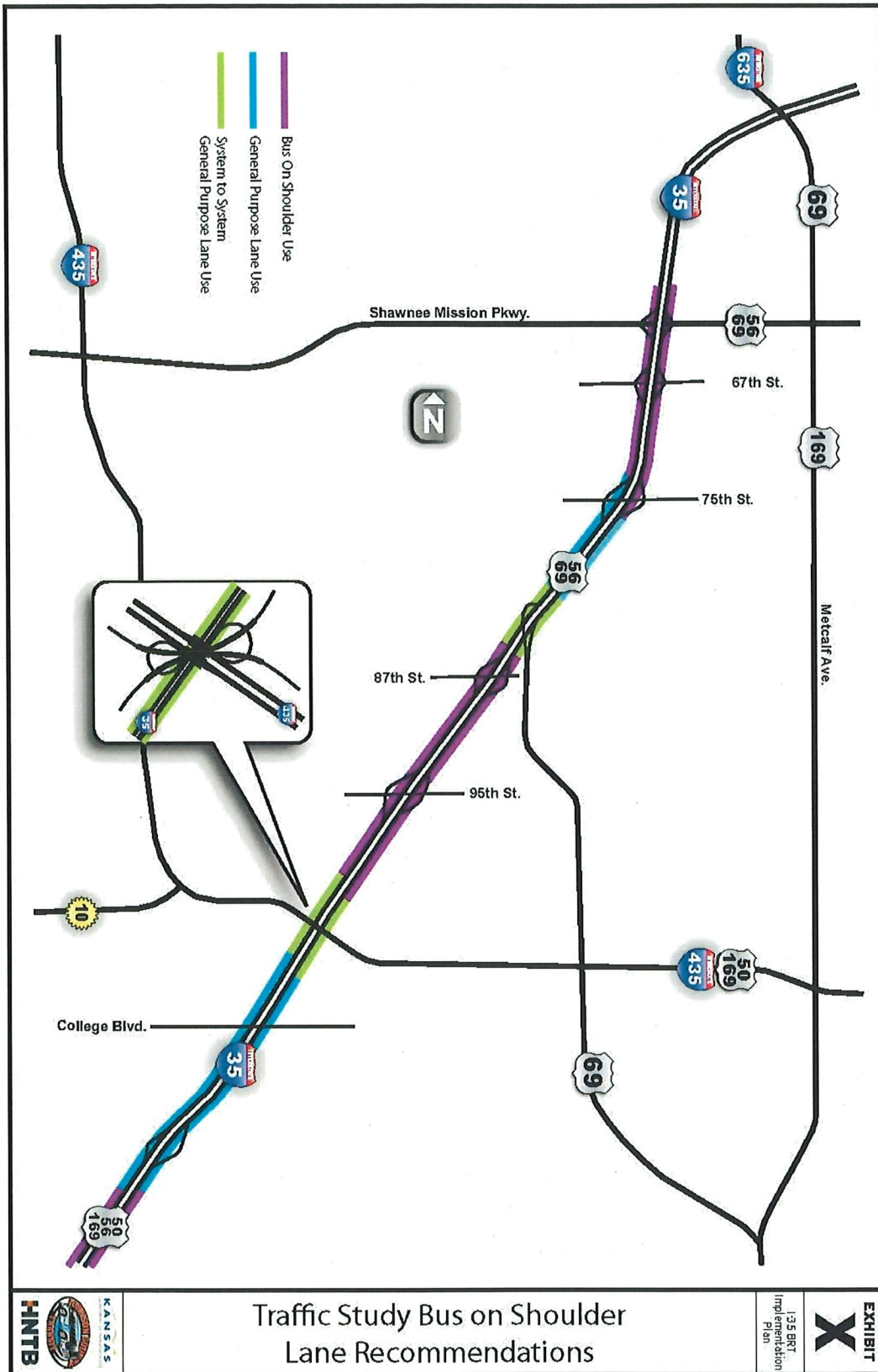
Respectfully submitted,

Alice M. Amrein
Alice M. Amrein, CCTM
Transportation Director

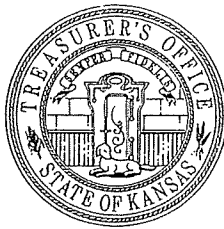
cc: Representative Ron Worley
Representative Marvin Kleeb
Stuart Little
County Staff

F:/Transit/Legislative/2011/Follow-up to Senate for House Bill2561.doc

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STATE OF KANSAS
Dennis McKinney
TREASURER

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Senate Bill 498
Senate Committee on Transportation
March 16, 2010
By Kansas State Treasurer Dennis McKinney

Chairman Umbarger and members of the committee:

Thank you for the opportunity to appear before you today in support of SB 498 regarding the Transportation Works for Kansas program.

Our commitment to our transportation infrastructure is a key investment that will help us to grow our economy while keeping us poised to take full advantage of opportunities as the national economy rebounds.

As we have experienced with the 1989 and 1999 plans there is a 3 to 1 return on our investment in transportation. Transportation spending provides growth for private contractors, providing good paying private sector jobs for Kansans in a time where we need job growth. Counting only state highway projects (not city & county) Babcock and Bratsberg calculated impact of the 1989 program "as measured by employment is 117,820 full time equivalent jobs (June 1997)."

As you consider a new transportation plan for our state there are a few ideas that I would encourage you to consider.

1. Measures should be included in the new transportation plan to ensure state wide distribution of projects in order to have needs addressed in all regions. That will help you to sell the program to your constituents knowing that all regions, including yours, will have long term transportation needs addressed. You may want to have these measures also require a system enhancement mechanism to fund projects of major regional significance which may not otherwise be funded by major modifications formulas. The system enhancements were a big factor in selling both the CHP and the CTP.
2. Projects should be sized in small enough bids to allow maximum participation by small and medium sized contractors. A Kansas program should create business and jobs for Kansas businesses, Kansas investors, and Kansas workers. The few gains from the economies of scale of large bids are quickly outpaced by forcing nearly all of the general contracting business to very large out of state contractors across the state.

Senate Transportation
3-16-10
Attachment 5

3. In the vast majority of lettings, a comprehensive program should continue to select contractors based on lowest and best bid. This is an objective process which is transparent, has stood the test of time, and has maintained public confidence.
4. The legislature may consider requiring a list of projects be submitted annually to the legislature to ensure public review and input.
5. If the revolving bonding authority concept is used, the legislature should require State Finance Council approval prior to lettings as an opportunity to bring review and discussion of the plans. The legislature may also consider requiring the bond issues to be handled by the Kansas Development Finance Authority. Because the issues will not be discussed and authorized by the legislature this would bring an additional evaluation regarding the structure and timing of the bond issue.
6. I agree with the T-LINK proposal that a small percentage of the 18 percent debt service cap be reserved to allow the issuance of bonds to build fast emerging projects with significant economic impact. This reserved bond authority could also be released if unemployment in Kansas exceeded 6.5% for more than six months. Assuming Highway Fund revenues of \$1.304 billion, 5% interest, and 20 year bonds, jumping the debt limit from 17% to 18% would increase bonding authority about \$162 million (Dr. John Wong at the WSU Public Finance Center assisted me with calculations).
7. A new CTP should be accompanied by the stabilization fund concept found in SCR 1627 to create a rainy day fund. This will help to insure that the Highway Fund is not raided in tough times and the integrity of the program is maintained. In fact, it is precisely in times like we now have that construction spending should be maintained. Contracts let now would secure lower materials prices, bonds would secure lower interest rates, and jobs would be created at the time we most need the effort to put people to work.

One added concern for me lies on p. 49 of the bill. In both the 1989 and 1999 programs the bonds were limited in maturity to 20 years. The provision on p. 49 extends that to 25 years. The effect is to allow more debt to be issued off the start with the same amount of revenue. Of course, this ties up the money for longer periods of time and restricts options of future legislators. It also raises the question of whether the length of the maturity exceeds the life of the assets being constructed.

As an example, \$10 million in principal and interest payments, assuming 5% interest, would service about \$124.6 million in debt of 20 year bonds. The same debt service for 25 year bonds would support \$140.9 million in bonds. Hence, if we have \$50 million available under the 18% cap to service debt, we could take on an additional \$81 million in debt using 25 year bonds vs. 20 year bonds.

These points are intended only to provide ideas that may help you serve the interests of your region and insure the accountability that your constituents demand. But my main point is this: we have created a first class transportation system in Kansas. Our system clearly demonstrates that when we invest in infrastructure we partner with industry to create jobs and new investment in the private sector. While our decisions this year are difficult, Kansans 20 years from now will hold a dim view of us if we allow our transportation assets to deteriorate due to poor stewardship.

Assessing the 1999 CTP, state projects only, Babcock arrived at a similar finding as with the 1989 program: “. . . economic impact of the Kansas CTP highway construction contracts as measured by employment is 114,635 full time equivalent jobs . . .”(December 2004).

Thank you again for the opportunity to appear before you today. The Treasurer’s Office stands ready to work with you to continue moving our state forward.



AMERICAN COUNCIL OF ENGINEERING COMPANIES
of Kansas

Affiliated with:
American Council of Engineering Companies
Kansas Society of Professional Engineers
National Society of Professional Engineers
Professional Engineers in Private Practice

**Testimony to Senate Transportation Committee
March 16, 2010**

By: Thomas G. Swenson, PE, PTOE

Good morning and thank you for the opportunity to provide you with input on behalf of ACEC Kansas, a state chapter of the American Council of Engineering Companies. My name is Tom Swenson, a Principal with TranSystems, a transportation consulting firm headquartered in Kansas City with offices in Wichita and Independence, Kansas as well as several other locations around the country. I am also currently on the ACEC Kansas board of directors.

ACEC of Kansas includes 75 member firms representing over five thousand employees. These firms are engaged in all sorts of engineering in Kansas with most involved in myriad types of infrastructure, including transportation.

Member firms and all Kansans reaped the benefits provided by the 1989 Comprehensive Highway Program (CHP) and 1999 Comprehensive Transportation Program (CTP). Both programs have been widely deemed as hugely successful and beneficial. We are proud to have been a trusted partner to the Kansas Department of Transportation in these endeavors that have resulted in one of the better highway systems in the country.

Despite the investments Kansans have made over the last two decades, we find ourselves on a downward slide towards mediocrity again as our annual investment is not enough to

properly maintain what we have; let alone improve our transportation systems to gain efficiencies, enhance safety and create economic advantages.

As I think or hope everyone has learned by now, the CHP and CTP shouldn't be regarded as special infusions of capital to bring our systems up to par; rather, they reflect minimal levels of investment that need to be considered on a perpetual basis. That is why those of us in the transportation industry had hoped for this dialogue three or four years ago, well before the CTP expired. Our needs and wants continue to outweigh our resources and our systems deteriorate every day, whether or not we are in recession.

The 10,000-mile state highway system alone has a present-day value of at least 2 trillion dollars. It makes financial sense to Kansans to maintain that properly because failure to maintain on a regular basis only increases the cost to repair or replace later.

There is no doubt that the effectiveness of our transportation systems correlates with the quality of our personal lives and the vitality of our state economy. I know that Secretary Miller and others have demonstrated that relationship to you. For example, every dollar we invest returns three dollars to our economy. That certainly is attractive in these challenging economic times.

And not only is the planning, design and construction of transportation facilities economic activity unto itself, at the end we get tangible assets that support the attraction and retention of economic development throughout Kansas.

With current trends at the national, state and local levels, construction contractors and engineering firms are laying off employees - some even going out of business. It's not

something that firms advertise but knowledge I've gained tells me that area engineering firms have reduced staff sizes by at least 25 percent in the last 18 months.

The outlook for businesses that deal in transportation is not promising at this point in time, as many other states as well as our federal government are grappling with the same issue of investments in transportation. And unfortunately there appears to be little sense of urgency to reverse current trends. As I speak with my peers in other firms, we all appear to be driving towards a cliff. I justifiably fear that layoffs and business closures will continue this year if immediate action isn't taken.

And there are other unfortunate consequences to the current situation. The jobs being lost pay well and are held by well-educated and well-trained individuals. These people are moving to where they can be employed and are unlikely to return to Kansas. In our universities, graduating seniors are finding no marketplace for their services here. They too will probably leave this area; never to return. Incoming students will notice this trend and many will choose not to pursue a career in engineering or construction management; thus leaving us with a void of talent not too many years from now.

A lot of time and energy has been spent in recent years to determine a proper direction for transportation in Kansas. Years of planning and widespread citizen engagement throughout Kansas culminated in the recommendations made by the T-LINK Task Force last year. We agree with their assessment of transportation in Kansas and the investments we should be making.

It's critical to continue the momentum generated by the CHP and CTP and keep Kansas competitive. We can't afford to take a breather and let our transportation systems

deteriorate before our very eyes. The needs won't go away unless the people and businesses go away first.

The Senate has prepared two bills for financing transportation in Kansas. Both rightly target those that use and benefit from our transportation systems. While neither fully funds the gaps identified by the T-LINK Task Force, they are certainly a step in the right direction.

The sad irony to our current situation is that Kansans will likely continue to pay more for transportation in the future whether that comes about through wasted time, medical bills and more frequent vehicle maintenance, or higher user fees to make our systems safer, more efficient, and well maintained.

The member firms of ACEC Kansas and their employees are passionate about the work they do because they know the value it brings to our society; whether that's lessening a commute time, making an intersection safer for drivers and pedestrians, or supporting a new industry.

On behalf of ACEC of Kansas, I thank you for your time and attention today. We urge you to move forward with legislation now to increase funding for our transportation systems.

Thank you.