

SESSION OF 2004

**CONFERENCE COMMITTEE REPORT BRIEF ON
SENATE BILL NO. 501**

As Agreed to April 1, 2004

Brief*

The bill would amend existing law to make the vanpool program self supporting. Subject to the availability of sufficient revenue from passenger fees, the Secretary of Administration would be authorized to purchase vans for the program. Van drivers would be authorized to charge passengers a uniform fee established by the Secretary at a level that would enable the program to be self-supporting. Fee revenue would pay for operation, service, repair, insurance, vehicle replacement, and program administration. Fee revenue would be deposited in the Motor Pool Service Fund in the State Treasury. Finally, the Secretary would be authorized to recommend to the Legislature that the program be terminated if the Secretary determines that it is no longer feasible.

Conference Committee Action

The Conference Committee agreed to delete from the bill provisions that would have enacted new law prohibiting the use of engine compression brake systems on trucks that are not equipped with mufflers. The Conference Committee also agreed to amend the vanpool provisions of the bill to repeal a provision that provides workers compensation coverage for state employees while they are passengers. The Conference Committee also agreed to increase to \$1,000,000 the minimum liability insurance coverage for each vehicle in the vanpool program. Both of the latter provisions were included in the Senate-passed version of the vanpool program amendments in HB 2624.

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. The conference committee summary report may be accessed on the Internet at <http://www.kslegislature.org>

Background

The House Committee on Transportation amended the bill (which originally addressed use of engine braking systems) to include provisions requiring the existing state vanpool program to become self-sufficient. The Department of Administration announced in January 2004, that the state vanpool program would be terminated by retiring the vans when they reach 95,000 miles.

Following the Department's announcement, the Legislative Division of Post Audit completed a 100 hour audit on the operations of the central motor pool, including the vanpool program. The audit report cited a number of issues related to the termination of the program. Specifically, the report states that the Department of Administration justified elimination of the program based on a determination that the program was not self-supporting. In arriving at this conclusion, the report notes, the Department recalculated expenses that should have been charged to the program and applied those charges retroactively. However, when expenses and revenue are compared using assumptions in place when revenues were collected, vanpool revenues over the last three years exceeded the cost of the program by approximately \$10,000.

The fiscal note on the introduced version of the bill does not address the vanpool provisions.