

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 8:30 a.m. on March 12, 2010, in Room 152-S of the Capitol.

All members were present.

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:

Tuck Duncan, Executive Director, Kansas Public Transit Association
Joe Erskine, Deputy Secretary of Finance, Kansas Department of Transportation
Robert Vancrum, Government Affairs Consultant, Greater Kansas City Chamber of Commerce

Others attending:

See attached list.

The Chairman called attention to the Amtrak Feasibility Study, Secretary Miller's testimony regarding the study and various fact sheets relating to the Feasibility Study of Expanded Passenger Rail Service in Kansas. The materials were provided by the Kansas Department of Transportation for review (Attachment 1).

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.**

Tuck Duncan, Executive Director, Kansas Public Transit Association, appeared supporting passage of a comprehensive transportation plan. According to Mr. Duncan, **SB 498** and **SB 515** are multimodal approaches to transportation and Kansas is a growing population needing other modes of transportation. As more people are getting older with increased health needs, public transit often is the only means for maintaining independence. Transportation experts, government officials, employers and consumers in every part of the state say more bus service is needed to take Kansans to jobs, medical appointments and the other destinations of their lives. Mr. Duncan also provided copies of *A Primer on Public Transit in America* that he prepared for the Special Committee on New Comprehensive Transportation Plan (Attachment 2).

Joe Erskine, Deputy Secretary of Finance, Kansas Department of Transportation, presented his informational testimony on the financial issues of funding a comprehensive transportation plan (See Attachment 3 in March 10 minutes). His testimony covered the following areas:

- Preservation Gap for the first 3 years (assuming delayed program) \$250+ Million Gap
 - Amount required to maintain current system condition
 - Does not include any future transfers from SHF to SGF
 - Based on assumption of steady federal funding and current state revenue projections
 - Addresses preservation-only spending
- Cash Flow/Debt Management Strategy to fill 3 year Preservation Gap
 - 18% Debt Service Cap
 - Build America Bonds
 - Implement Flexible Debt Management Tools for KDOT
 - KDOT has expertise and track record for successful debt management
 - SHF remains a highly-rated issuer of bonds

Deputy Secretary Erskine noted that in the last 10 years, KDOT has saved nearly \$100 million for the taxpayers through debt management using diversification and timely refunding. He stated KDOT feels that the flexible debt management tools, are revenue enhancement aspects that are hugely important and are needed in whichever transportation plan is forwarded.

- T-EDL (Transportation - Economic Development Loans)

CONTINUATION SHEET

Minutes of the Senate Transportation Committee at 8:30 a.m. on March 12, 2010, in Room 152-S of the Capitol.

Administered through the Transportation Revolving Fund (TRF)
Loans for local governments to fund transportation improvements to serve economic development
Authorizes the SHF to bridge the debt service gap
Authorize revenues from CIDs, TDDs, TIFs, in addition to other pledged sources
Feasibility Study Required
Projects Approved on a Project by Project Basis

Deputy Secretary Erskine stated the proposed T-EDL program is also a very important aspect in the next comprehensive transportation plan.

- Tolling Considerations
 - Kansas should consider toll financing where practical
 - Any new toll revenues should be used for
 - Tolling practices should not require 100% of costs to be covered by tolling revenue
- Funding Scenarios
 - SB 515** - Sales Tax on Motor Fuels
 - SB 498** - Increase and Indexing Motor Fuel Tax

Deputy Secretary Erskine noted information provided on a comparison of surrounding state's transportation funding.

- Other Policy Revenue Enhancements
 - Transfers Out
 - Revenue

After answering final questions, Deputy Secretary Erskine concluded his testimony.

Robert Vancrum, Government Affairs Consultant, on behalf of the Greater Kansas City Chamber of Commerce, spoke in support of the new comprehensive transportation plan called Transportation Works for Kansas. Mr. Vancrum stated that the Chamber believes short and long term economic development, growth and prosperity make it essential to support both the plan and a way to fund it. Highways and public transit are essential components of 21st century growth and that an effective, well-maintained highway system is one of the top things businesses look for in determining where they want to locate or grow ([Attachment 3](#)).

The Chairman announced the hearings on **SB 498** and **SB 515** would continue at the next scheduled meeting.

The meeting was adjourned at 9:30 a.m. The next meeting is scheduled for March 15, 2010.