

Approved: March 1, 2000
Date

MINUTES OF THE SENATE WAYS & MEANS COMMITTEE.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on February 23, 2000 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Chief Fiscal Analyst, KLRD
Rae Anne Davis, KS Legislative Research Department
Debra Hollon, KS Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Asst. Revisor of Statutes
Judy Bromich, Administrative Assistant to the Chairman
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

It was moved by Senator Feleciano and seconded by Senator Jordan that bill draft 9rs 2362 be introduced as requested by Senator Feleciano. The motion carried on a voice vote.

Senator Morris offered a motion which was seconded by Senator Feleciano to approve the minutes of the February 18 and 21 meetings. The motion carried on a voice vote.

The Senate subcommittee's recommendations for the **Kansas Department of Transportation** in FY 2001 were reviewed by Senator Lawrence. (Attachment 1) Members discussed at length the Department's concerns about how the overall revenues and expenditures for the Comprehensive Transportation Plan are reflected in charts by Legislative Research. Chairman Kerr commented that one issue contributing to the controversy has been how to show projects that are committed to contractually prior to the end of the program but not built out and not paid for until years eleven or twelve. He explained that the Department shows revenues on a 10 year basis and the expenditures are shown for 10 years plus the "build out". Therefore, the Department believes that including all build out and all commitments they'll have, if their assumptions hold true, they will be \$50 million short of completing the \$12 billion CTP.

Chairman Kerr explained that research staff tracks the inflow and outflow of cash and does not recognize the build out projects. In discussing the chart showing changes in the CTP projected revenues and expenditures (Attachment 1-7), it was noted that of the \$436 million difference between the approved expenditures and the Governor's recommendation for expenditures, \$202 million would be built out beyond the end of the 10 year program and \$200 million may be local demonstration projects.

Senator Petty inquired whether legislative intent is clear and whether KDOT uses legislative intent as their assumptions. The Chairman responded that the assumptions are not different, but the confusion has been over how to account for the numbers. He added that by working together, the two entities are getting closer to an agreement.

In answer to a question, Chairman Kerr defined "build out" as those projects that will be committed to prior to the end of the 10 year program, but constructed and paid for after that time frame. In response to Senator Petty's concern that the Legislature may have been unclear about "build out," the Chairman said it was part of the discussion during consideration of the CTP.

Chairman Kerr acknowledged Secretary Dean Carlson and asked if he wanted to address any of his concerns about how the Committee would interpret the tables in the subcommittee report. Secretary Carlson stated that he would recommend that the Committee concentrate on the table on page 7 of the report because he believes it to be accurate. He stated that it is based on the assumptions the Department

CONTINUATION SHEET

SENATE WAYS & MEANS COMMITTEE MINUTES

has used and takes into consideration the timing for the payout. He distributed copies of a letter he had sent to Ben Barrett, Director of the Legislative Research Department, in response to data that was submitted to the House subcommittee. (Attachment 2)

Chairman Kerr noted that the Department shows expenditures through 12 years including the build out, but shows revenues for only 10 years. He commented that, in itself, could be misleading to people and asked the Secretary to comment. Secretary Carlson stated that some of the revenue will be expended or will drop off, but the Department does not know the revenue picture after 2009 and has to have money in hand to pay contractors after 2009.

Chairman Kerr pointed out that the Legislature passed the CTP "in dollars" and did not identify specific projects. The Department converted the dollars to projects which they thought they could do within the dollars provided, but once they converted the projects back to dollars, the Department now claims that they will be \$50 million short. The Secretary stated that the Department has not added projects to the original list, but the cash flow tables change on a daily basis. He added that though the \$50. million is an unreliable number, it is the best estimate the agency can provide based on assumptions. In answer to the Chairman, he stated that the U.S. Department of Transportation has cut their obligation authority from 93% to 90% and said that the revenues that result in the \$50 million shortfall have been adjusted downward for the decrease in federal funding. He told Committee members that there is no extra money in the program.

Senator Lawrence moved, Senator Salmans seconded, that the FY 2001 subcommittee report on the Department of Transportation be adopted. The motion carried on a voice vote.

A table illustrating ending balances in the EDIF for FY 2000 and FY 2001 was distributed. (Attachment 3)

The Chairman adjourned the meeting at 11:45 a.m. The next meeting will be February 29, 2000.