

**Testimony of Mary E. Turkington, Chairman of the Kansas Turnpike Authority
Before the House Transportation Committee
Concerning House Bill 2234
February 13, 2013**

Mr. Chairman and Members of the Committee:

I am Mary Turkington, Chairman of the Kansas Turnpike Authority, who is NOT supporting H.B. 2234.

A very few Committee members will remember my previous professional career when I served as Executive Director of the Kansas Motor Carriers Association – the organization Tom Whitaker leads today. Tom and I worked together to help develop the 1989, the 1999 and I, to a limited degree, the 2010 long-range highway programs. After my 1997 KMCA retirement, Governor Bill Graves appointed me to the first of my four-year terms on the Kansas Turnpike Authority.

KTA, as you all know, was created by the Legislature in 1953, to build a modern highway to connect the cities of Kansas City, Topeka and Wichita. A helpful information sheet enclosed outlines Turnpike Operations that you may review at your leisure:

- Ground was broken December 1954
- The 236.5-mile road was opened October 25, 1956 – just 22 months later
- The initial bond issue was \$160 million
- KTA, to this day, has never received one cent of state or federal taxes
- Our customers – not taxpayers- pay tolls to fund the road
- In 2012, the State (not KTA) received \$10.2 million from motor fuel and Sales Taxes collected at the Turnpike's six Service Areas.

There are additional interesting facts about our operations in the fact sheet.

Today I want to talk with you about my concerns with the provisions of H.B. 2234. This entire move has come suddenly – there has been no study of any kind – no evaluation of consequences-no opportunity for Authority Board discussion prior to the administration's decision to bring about this change. No discussions of other options. Our CEO learned about this meeting with the Governor at 4 p.m. on Friday before the State-of-the-State message the following week.

Presumably the bill is intended to create efficiencies that will generate \$15 million a year in savings. No one yet has identified where these savings are coming from. For years, KTA's relationship with KDOT

has been solid. We have long-standing agreements on sharing responsibility for the urbanized section of the turnpike from K-7 at Bonner Springs to the termination of the turnpike at 18th Street in Kansas City; fiber optic cable we've installed for them; partnered with them on East Topeka and Emporia turnpike interchanges – just to name a few. There is nothing that requires a merger to work together. As I read this bill, there are no safeguards in this legislation to maintain the integrity of the Turnpike in future Administrations. A governor or a “bad guy” Secretary of Transportation literally could use Turnpike money to do almost any project or program one would choose. This bill does not offer any language to limit such a disaster.

Another major concern relates to the bonds KTA issues to fund capital improvements. Today, the KTA bond rating is AA-, solely on our own name, and is stronger than anytime in KTA's history. If revenue streams are diminished or leveraged for less certain purposes, that bond rating would change with much higher cost consequences – and perhaps lack of interest by bond purchasers. There is a lot at stake here.

I also respectfully ask why Legislators would expand state government by bringing a turnpike which now costs the state nothing – into a state agency when the trend is the other way. The Turnpike provided the state over \$10 million last year directly and has provided business, industry and agriculture safe, efficient transportation services for products that generate thousands of jobs and perhaps millions of dollars.

The other negative for H.B. 2234 is that, for the first time in nearly 60 years, this bill politicizes KTA. Bringing the Turnpike under the direction of a political appointee creates an environment KTA has not encountered in all the years it has existed.

I would call your attention to Section 2 K.S.A. 68-2021 which refers to: (a)...”to provide personnel, equipment and other resources”. I asked Secretary Mike King to what “other resources” referred. He commented it was sort of a “catch all term”. My worry is that it easily could translate into money unless there is specific language stating it does NOT include funds.

The other question I had for Secretary King was the inclusion of “highways of the state” in paragraph (2) of that same section when I asked if that allowed spending Turnpike money on state highways. If not, the bill does not say so. Tolls become taxes if that is allowed.

I might add, parenthetically, that our CEO was told he would be asked to help draft this bill. That request never came. I believe you would have a better product before you had that help been available.

The final BIG QUESTION is why is the bill to become effective on publication in the Kansas Register? If the bill should pass, there should be time for an orderly transition. That would seem reasonable to me. I suggest July 1, 2013 be established for the effective date.

I appreciate the Committee's time. This merger is not necessary nor, in my opinion wise. You are dealing with thousands of jobs – not Turnpike jobs – but jobs that depend on known transportation costs throughout hundreds of Kansas industries and businesses. There has been no study – no analysis – no cost estimates of what this bill really does. No one can seem to identify the \$15 million "savings". No one knows what the consequences are for bond holders, KDOT, KTA – or the STATE. I would hope you would NOT adopt this bill at all, or at least until you know something specific about its impact on those involved. KTA is a successful, important and necessary asset for the citizens of Kansas. Please don't destroy it.