



Kansas Aggregate Producers' Association
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TESTIMONY (Oral)

Date: February 7, 2017

Before: House Taxation

By: Jerry Younger, P.E., Managing Director, KAPA-KRMCA

Regarding: HB 2237

Good Afternoon Chairman Johnson and Committee Members:

I am Jerry Younger, Managing Director of the Kansas Aggregate Producers Association and Kansas Ready Mixed Concrete Association (KAPA-KRMCA). Our associations represent more than 180 business members who are all involved in some aspect of mining aggregate and/or producing ready mix concrete within the state of Kansas. For every road, bridge, house or building constructed in Kansas, a KAPA-KRMCA member probably provided materials that went into building it.

KAPA-KRMCA strongly supports what we believe is the key premise of HB 2237: creating a sustainable State General Fund financial model where tax policy corresponds with approved spending so that **NO** "extraordinary" transfers are needed from the State Highway Fund to make the SGF balance.

Kansans have made it clear for many years that: 1) they expect a state highway system that allows them to travel safely and efficiently on roads in good condition, and 2) they understand there is a cost and are willing to pay the cost needed to meet those expectations. Proof of that in the fact of three successive, legislatively passed transportation programs, each one including revenue components that Kansans had supported and trusted would go specifically towards transportation improvements. The path currently followed certainly erodes that public trust but even worse, erodes the long term physical structure and stability of the highway system itself. Many of you know my history as a recently retired 30+ year KDOT employee (the last 10+ years as Deputy Secretary and State Transportation Engineer), which I hope will provide credibility to me saying that for all the positive reviews bestowed on the condition of the Kansas state highway system (especially when compared to neighboring states), those are primarily the result of KDOT's long successful approach of doing the **right preservation actions at the right time**. And, I can tell you from experience, when KDOT misses the

opportunity to do the right action at the right time, it seems that you're then always chasing to get caught up and it always costs more money. Under the current scenario

painted by KDOT, they will be unable to do the right action at the right time on approximately 1000 miles in FY18. Imagine the increased future dollars that will ultimately be spent chasing that.

Adequately funding the preservation of the current system is the most pressing need in the short term but it can't be forgotten that 23 delayed, yet promised, expansion and modernization projects await their funding be restored. And while those projects continue to be delayed, other expansion and modernization needs come to the forefront - projects that would have a huge positive impact on safety, congestion relief or the overall regional/state economy.

I believe we all recognize that even if actions are taken that result in long term sustainable SHF funding being applied to the previously noted items, that funding will not appear immediately and there is still a need to provide an adequate funding "bridge" for FY18 &19 that allows the normal prudent and necessary preservation work to be done. Whether by bonding, additional fuel tax, decreased SHF transfers or combinations thereof, such a funding bridge is crucial for FY18 &19.

KAPA-KRMCA appreciates the committee's efforts to consider options that provide greater fiscal stability to the SGF and ultimately allow SHF revenues to be used for their intended purpose.

Thank you.