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MEMORANDUM

To: Madam Chair and Members of the Senate Committee on Ways and Means

From: Adam Siebers, Assistant Revisor

Date: February 18, 2020

Subject: 2020 Senate Bill No. 375

Summary

Senate Bill No. 375 would provide for a new transportation program to be designated as the FORWARD transportation program.

Section 1 of the bill authorizes and directs the Secretary of Transportation to initiate the FORWARD transportation program for the Kansas Department of Transportation. The bill identifies the four categories of highway projects that KDOT should use to select highway projects. These categories of projects include preservation projects, preservation plus projects, expansion and economic opportunity projects, and modernization projects. Under the preservation projects category, the bill provides that KDOT shall spend or encumber from the state highway fund in an amount equal to or exceeding 10 times the determined average annual preservation investment.

The FORWARD transportation program provides for the completion of modernization and expansion projects selected for construction under the T-WORKS program. Pursuant to the bill, such remaining projects are to be let prior to July 1, 2023.

The FORWARD transportation program directs KDOT to provide assistance to cities and counties for transportation improvements. The bill provides categories of projects that KDOT may spend funds to provide such assistance.

The FORWARD transportation program provides for additional transportation related programs that include: a railroad program, an aviation program, a public transit program, a transportation technology program, a multimodal program, and a broadband infrastructure construction program.

The FORWARD transportation program grants the Secretary the authority to award certain projects using alternative delivery procurement methods and sets forth criteria of how motor fuel taxes and registration revenues shall be spent pursuant to the program. Additionally, the Forward transportation program sets the criteria for selecting highway projects.

The FORWARD transportation program requires the Secretary to select projects for development and projects for construction every two years. Selection of such projects shall take place every two years after consultation with local jurisdictions. Additionally, prior to June 30, 2030, at least three expansion or modernization projects shall be selected for development from each of KDOT's six districts.

The FORWARD transportation program requires the Secretary to develop recommendations for the succeeding transportation program at the conclusion of FORWARD.

Section 2 of the bill authorizes and empowers the Secretary of Transportation to participate in projects or make grants for the purpose of planning, assessment and fielding of new capabilities and innovative technology for all modes of transportation. Such innovative technology shall include, but is not limited to, aviation and highway transportation. The transportation technology development fund is established under this section. The Secretary may make grants from the fund. Additionally, \$2,000,000 is to be transferred yearly from the state highway fund to the transportation technology development fund.

Section 3 of the bill authorizes and empowers the Secretary of Transportation to make grants for construction projects to improve broadband service in the state. The broadband infrastructure construction grant fund is established under this section. For three years, yearly transfer of \$5,000,000 is to be transferred yearly from the state highway fund to the transportation development fund. Commencing July 1, 2023 through 2030, the transfer is increased to

\$10,000,000. At the end of the fiscal year, the Secretary is authorized to transfer any remaining and unencumbered funds to the state highway fund.

Section 4 of the bill authorizes the Secretary of Transportation to award certain highway system projects using alternative delivery procurement methods other than design-bid-build contract. Such alternative delivery procurement methods may not be used for preservation projects and not more than 5% of the amount of dollars spent under FORWARD may be used for such purposes. KDOT is subject to certain requirements and obligations in awarding alternative delivery procurement methods. KDOT is allowed to award single or multiple contracts for procurement of transportation alternative delivery projects. KDOT is required to develop and utilize criteria for selecting whether the alternative delivery or design-bid-build procurement process is in the best interest of the state. KDOT shall develop and utilize procedures for advertising, receiving and evaluating proposals and the awarding and administering contracts.

Alternative delivery procedures shall include: a multiple phase selection process, advertisements in the Kansas register for requests for qualifications, prequalification requirements of contractors, a bond or security contract and a requirement that any change in key personnel require approval of KDOT.

Section 5 of the bill authorizes expenditures from the state highway fund for any purposes included under the FORWARD transportation plan. Additionally, the reimbursement rate for each lane mile maintenance for city connecting links is increased from \$3,000 to \$5,000 per mile.

Section 6 of the bill requires that the Secretary of Transportation include in the yearly report to the Legislature information concerning expenditures and information regarding the implementation of the FORWARD transportation plan.

Section 7 of the bill requires that \$8,000,000 would be committed in each county for authorized projects or programs while the FORWARD transportation plan is in effect.

Section 8 of the bill authorizes the Secretary to transfer amounts in excess of the \$11,000,000 transfer from the state highway fund to the public transportation assistance fund.

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Section 9 of the bill specifies that the Secretary shall retain or spend no less than \$5,000,000 in the rail service improvement fund.

Section 10 of the bill authorizes the Secretary to transfer amounts in excess of the \$5,000,000 transfer from the state highway fund to the public use general aviation airport development fund.

Sections 11 and 12 of the bill provides that the scheduled disposition from retailers' sales tax and compensating tax shall be included in the tax imposition statutes and dedicated to the state highway fund.