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## Kansas Contractors Association

March 25, 2021

### Senate Transportation Committee Proponent Testimony HB 2201

Chairman Petersen and Members of the Committee,

Thank you for the opportunity to appear before you on behalf of the Kansas Contractors Association (KCA). The KCA represents more than 200 companies working in Kansas' heavy construction industry.

KCA is supportive of the original provisions contained in HB 2201 which included the following:

1. Amend from \$100 million to \$10 million the threshold for projects procured with an alternative delivery process.
2. Removal of the requirement to let all T-Works projects prior to letting any new project under IKE when federal stimulus is part of the financing for the new IKE project.
3. Clarify the 18% debt cap calculation to be consistent with bond rating agencies' debt coverage test. The proposal will allow the 18% debt cap to be calculated using gross revenue into the State Highway Fund instead of the current calculation based on net revenues after transfers to the State General Fund.

The House Transportation committee removed the bonding language. We would support an amendment for HB 2201 to add the original bonding provisions back into the bill.

We also support the following Senate amendment contained in SB 116 regarding legislative oversight to expend the federal stimulus funds.

***No moneys received from federal stimulus funds shall be expended pursuant to this paragraph unless the expenditure either has been approved by an appropriation or other act of the legislature or has been approved by the state finance council acting on this matter, which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in K.S.A. 75-3711c(c), and amendments thereto***

Senate Bill 116 as amended, passed the Senate by a vote 39-0 on March 3.

We appreciate your favorable consideration of HB 2201 with amendments.

Michael White, Executive Director