

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 4:05 p.m. on March 17, 2010, in Room 548-S of the Capitol.

All members were present.

Committee staff present:

Bruce Kinzie, Office of the Revisor of Statutes
Jill Shelley, Kansas Legislative Research Department
Cindy Shepard, Committee Assistant

Conferees appearing before the Committee:

Pat Hurley, Economic Lifelines
Andy Sanchez, Executive Secretary-Treasurer, Kansas AFL-CIO
Bernie Koch, Kansas Economic Progress Council
John Cassidy, Topeka Metropolitan Transit Authority
Christy Caldwell, Vice President, Greater Topeka Chamber of Commerce
Whitney Damron, City of Topeka
Joe Erskin, Deputy Secretary of Finance, Kansas Department of Transportation

Others attending:

See attached list.

The Chairman opened the continued hearings on **SB 498 - Transportation works for Kansas program, financing** and **SB 515 - Transportation works for Kansas, financing, sales tax on motor-vehicle fuels.**

Pat Hurley, appeared on behalf of Economic Lifelines, which Mr. Hurley noted, is a large statewide coalition organized in the mid-1980's to provide broad community and industry support for passage of comprehensive transportation programs. His remarks focused on three main areas: the current status of transportation in Kansas, why we need a new program at this time, and the benefits it will bring to the entire state.

According to Mr. Hurley, the result of no new funding would be the deterioration of the state system to the condition it was in during the mid-eighties before either comprehensive program was enacted. More than 100,000 jobs were created by the previous two programs, generating millions of new dollars from sales and income taxes that went into the State General Fund. In the past two decades, each transportation program was the largest single economic development and jobs program in the state of Kansas.

He concluded his testimony stating that the enactment of a new Comprehensive Transportation Program this session is the only permanent action which can truly begin to have an immediate impact on addressing the state's unprecedented economic dilemma. It will jump-start the economy, put thousands of unemployed Kansans back to work, generate substantial new revenue going into the general fund and at the same time continue to maintain the state's and the communities' critical infrastructure and transportation needs (Attachment 1).

Andy Sanchez, Executive Secretary-Treasurer, Kansas AFL-CIO, presented testimony in favor of **SB 498** and **SB 515** as they relate to a new highway program, jobs and the Kansas economy. He stated that his organization is made of union affiliates, and the cornerstone of organized labor is having a job with benefits. Construction, Trade and Transportation are amongst the top three industries reported in statewide job losses over the past year. A poor economy has us mired in the current recession and clearly what is missing is job creation. Mr. Sanchez noted one local union has more than 60% of their membership out of work. He provided statistics for Kansas county unemployment rates for January 2010 (Attachment 2).

Bernie Koch, representing the Kansas Economic Progress Council, stated that they support pro-growth policies for communities and the state, which is why they support a new transportation program. According to Mr. Koch, Area Development Magazine, a leading publication covering corporate site selection and relocation, listed in its latest survey of corporate executives that 92.9% said highway accessibility was either important or very important. Also noted, that if a site does not have good infrastructure access for suppliers, customers and employees, it will be eliminated from consideration.

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Mr. Koch continued with details about his job elimination in Wichita due to the recession, and his recent employment in Oklahoma at the Tulsa Metro Chamber of Commerce. He commented on the road conditions in Oklahoma being much worse than in Kansas, noting a joint report by the American Association of State Highway and Transportation Officials and The Road Information Program, ranking Tulsa as having the ninth highest percentage of poor roads in the nation, while Oklahoma City ranked fifteenth. Oklahoma roads are so poor because the state does not have the political will to raise the revenue it needs to take care of them.

Mr. Koch noted a statement from the Oklahoma Turnpike Authority web site that the Oklahoma Department of Transportation has been inadequately funded to provide for the maintenance of its existing highway system and also construct new routes required by expanding road usage and the demand for urban expressways. In conclusion, he said that Secretary Miller's statement, regarding a loss of more than a billion dollars to the Kansas Comprehensive Transportation Program due to diversions to other parts of the state budget, worries him that we are becoming like Oklahoma. He urged favorable consideration to the revenue enhancements of **SB 498** or **SB 515** that will allow us to maintain and improve our transportation system (Attachment 3).

John Cassidy, testified on behalf of Janlyn Nesbett-Tucker, CEO of the Topeka Metropolitan Transit Authority. He noted that from 2004 to 2008 the annual ridership totals increased from 1.2 million daily tips to almost two million in a city with only a population of 125,000. Rapidly aging baby boomers will need our transit service more than ever and society is placing ever increasing demands on our limited energy resources. According to Ms. Nesbett-Tucker, Mr. Cassidy stated fully funding public transit is imperative to maintaining the mobility necessary to carry us into a prosperous future (Attachment 4).

Christy Caldwell, Vice President, Greater Topeka Chamber of Commerce, spoke in favor of a new comprehensive transportation plan. She spoke of the leadership of the 1989 Legislature and Governor Mike Hayden had for the first transportation program, and the 1999 Legislature and Governor Bill Graves continued with the second transportation program. She referred to the positive outcome in the Topeka community from both programs, noting the widening of a stretch of South 75, allowing the location of a new industrial park built adjacent to the highway. This brought two national distribution centers to the area, creating approximately 1,000 new jobs, and the Chamber continues to see other companies interested in locating in the park. She stated that the leadership of the previous legislators needs to continue and once again fund a transportation plan that is this legislature's legacy and our state's future.

Ms. Caldwell called attention to further needs in Topeka/Shawnee County beginning with the rebuilding of the Polk-Quincy Viaduct in downtown Topeka. Over the last couple of years, federal funding has been received for KDOT to begin the planning process, and hopefully a new state transportation program can bring both state and federal resources to reconstruct and realign the Polk-Quincy Viaduct. Passage of either **SB 498** or **SB 515** provides a new transportation program, it will take public dollars, and the Topeka Chamber is prepared to support a realistic funding package that assures our state's transportation system is maintained and improved as it has been over the last 20 years. She provided copies of the City of Topeka Resolution NO. 8128, and Shawnee County Resolution NO. 2008-165 (Attachment 5).

Whitney Damron, appeared on behalf of the City of Topeka in support of legislation creating a new comprehensive transportation plan. He discussed the 2008 Joint City of Topeka and Shawnee County Resolution, concerning the enactment by the Kansas Legislature of a new statewide comprehensive transportation program. The resolution expressed support for a broad range of transportation improvements including state and local projects, public transit expansion, aviation improvements, rail service as well as bicycle and pedestrian trails. Mr. Damron referred to the 0.05% sales tax increase adopted by the City of Topeka voters on April 7, 2009, to be used exclusively for costs of maintenance and improvements of existing City streets, gutters, curbs, sidewalks, alleys and street lighting.

According to Mr. Damron, the state's economy is under tremendous pressure, making a new transportation plan challenging to implement. That is why funding mechanisms contained in both **SB 498** and **SB 515** delay increases in traditional funding streams for three years, and passage of a new program will allow cities and counties to plan for the needs of their citizenry and create opportunities for economic growth in the years ahead (Attachment 6).

Written testimony in support of was submitted by:

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Ashley Sherard, Vice President, Lenexa Chamber of Commerce ([Attachment 7](#))

Ron Gaches, Executive Director, Kansas Society of Professional Engineers ([Attachment 8](#))

Todd M. LaTorella, P.E., Executive Director, MO/KS Chapter, American Concrete Pavement Association ([Attachment 9](#))

Erik Sartorius, on behalf of the City of Overland Park ([Attachment 10](#))

Jack Taylor, Executive Director of S.P.I.R.I.T. (Southwest Passage Initiative for Regional & Interstate Transportation) ([Attachment 11](#))

There being no further conferees, the hearings on **SB 498** and **SB 515** were closed.

The Chairman called on Kansas Department of Transportation (KDOT) for additional information relating to **SB 498** and **SB 515**.

Joe Erskine, Deputy Secretary of Finance, (KDOT), provided information for consideration relating to debt management tools. He stated that due to the raiding of the Highway Fund over the last ten years, there is an estimated \$850 million preservation gap. KDOT needs flexibility to utilize bonding programs such as Build America Bonds, with 25-year debt service verses 20-year debt service. He offered language in a proposed balloon amendment from KDOT which allows that flexibility ([Attachment 12](#)).

Deputy Secretary Erskine referred to the Gap Chart provided at the March 10 hearing ([see Attachment 3 in March 10 minutes](#)), and stated that there was revenue available for light duty preservation, but would not have the funds for heavy duty preservation without any new revenue enhancements. He noted KDOT has a strong policy stance to not issue debt for light duty preservation. Bridge replacement and reconstruction of highways would fall under heavy duty preservation, and would be eligible for utilizing bonding.

Summary of funding scenarios were distributed for review ([Attachment 13](#)). Chairman Umbarger requested KDOT be available tomorrow at the regularly scheduled meeting, and at an additional meeting scheduled on adjournment, to work the bills.

The meeting was adjourned at 5:50 p.m. The next meeting is scheduled for March 18, 2010.