



February 18, 2020

**Neutral Testimony on HB 2588
House Appropriations Committee**

Chairman Waymaster and Members of the Committee,

Thank you for the opportunity to submit testimony on behalf of Midwest Minerals, a subsidiary of Summit Materials. Midwest Minerals has provided crushed limestone aggregate and agricultural lime in Kansas, Oklahoma and Missouri since 1947.

I appreciate the opportunity to appear today and provide thoughts related to Forward Kansas. HB 2588 certainly has many great components to address the infrastructure needs in Kansas. There have been many hours spent on developing the policies contained in HB 2588. However, I would ask you to consider one question. Do we have confidence the program and funding for Forward can be delivered over the next 10 years without either new revenue or protection of existing revenue? Forward can only be delivered if the transfers are eliminated and the funding stays in the highway plan.

As a member of the Joint Legislative Transportation Vision Task Force, it became clear to me how important having a strong transportation system is for economic development and overall quality of life in Kansas. One of the largest components of maintaining a strong system is stable revenue that can be counted on to continually make infrastructure investments. Because of transfers out of the highway plan, our infrastructure system has deteriorated to the point primary spending of Forward Kansas will be spent repairing and maintaining a system that was neglected for many years. Standard maintenance practices that would have increased life cycle of our roads at a reasonable cost were not completed. We are now forced into much more expensive actions to improve our system for the betterment of our economy and to protect the safety of the traveling public.

In visiting with Kansans from all corners of the state, it became clear to me, Kansans want the transfers to stop and the money to stay in the highway fund and my sense is that nearly all of the members of this committee feel the same.

Since 2011, billions of dollars have been swept from the State Highway Fund to fund general fund expenditures. This has caused the condition of our highways to deteriorate and T-works projects to be stalled.

This is the first proposed transportation program in our state's history without new revenues, making it even more important to protect the funding. We support strict language in the bill that specifies the sales tax revenue deposited in the SHF shall only be used for transportation purposes. We also support adding strict language to the bill which would trigger a motor fuels tax increase if transfers continue out of the State Highway Fund after fiscal year 2024 or develop a lockbox approach where sales tax money could be deposited. The purpose of this

language is not to raise taxes but deter the appetite to continue transfers after they have been eliminated. Reasonable actions by the legislature such as a super majority vote could terminate or delay this action in the event of a recession or economic downturn.

We applaud the efforts of the governor and the legislature to eliminate the transfers from the state highway fund. This has helped to stem the outflow of work by Kansas contractors to surrounding states. Closing the Bank of KDOT is a great first step, however, action needs to be taken to ensure the State Highway Fund is not depleted the next time the state faces financial distress. If HB 2588 passes without further protection of revenue,

FORWARD is at risk of not being completed. We must learn from the mistakes that were made when T Works was written.

Thank you again for the opportunity to provide testimony on HB 2588.

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