

## **October 29 T-LINK MEETING**

Faced with limited resources and seemingly unlimited needs, Kansas should consider establishing objective priorities to guide the flow of some state funds to local road and bridge projects.

That was the general, informal consensus of the Transportation-Leveraging Investments in Kansas (T-LINK) task force when it met in Lawrence Oct. 29.

“No one at the end of the day is going to be against prioritizing,” said T-LINK member Joe Reardon, mayor of the Unified Government of Wyandotte County/Kansas City, Ks. “Getting there is difficult.”

Others at the meeting cautioned that prioritizing must be done in a way that is not unfair – or perceived as unfair - to rural Kansas.

“Don’t write off small towns,” said Nathan Eberline, intergovernmental relations associate with the League of Kansas Municipalities. “We need to make sure the message that comes out is not that we’re writing them off. Everyone needs to be at the table.”

This meeting of the T-LINK task force, composed of leaders in the fields of business, government and labor, focused on Kansas local roads including county roads and city streets. Task force members have been assigned by Gov. Kathleen Sebelius to develop recommendations for a new strategic transportation approach as the state’s 10-year transportation program nears its end.

The assignment is a challenging one. Money from current funding sources is constrained and the cost of construction materials continues to rise. On top of that, Kansas has no guarantee of federal transportation funding beyond a one-year measure that’s scheduled to run out in October 2009.

T-LINK members also discussed the possibility of increased flexibility to meet economic needs in a new transportation program, as well as potential funding scenarios.

### **NO SHORTAGE OF NEEDS**

Ron Seitz, KDOT’s Bureau Chief of Local Projects, outlined some of the many needs posed by Kansas’ 130,000 miles of local roads and 20,500 bridges.

Seitz noted that one of the fundamental problems in the state’s transportation equation is low population – and therefore a low tax base – in many of the areas that suffer from deteriorating infrastructure.

For example, in 69 Kansas counties the number of persons per mile of public road is 10 or less. That is partly due to a one-mile road grid system that was designed to serve 19<sup>th</sup> century farms, plus the fact that many Kansans have moved from rural areas to cities and suburbs.

Deficient bridges represent some of the weakest links in the state's local road system. Seitz said 4,400 Kansas bridges suffer from deficiencies and qualify for federal replacement funds. Most of the deficient bridges are lightly traveled, with nearly 3,000 carrying 50 or fewer vehicles a day.

Many of the deficient bridges, even the lightly traveled ones, are groaning under the weight of heavier and heavier farm vehicles.

And worst of all, the fatal accident rate is higher on local roads.

County roads are now funded 67 percent by local entities, 24 percent by the state and 9 percent by the federal government. Surveys indicate that the needs of local roads and bridges are 2.5 to 3 times greater than the available funding.

And when the T-LINK task force held local consultation meetings around the state in September, many local officials said they needed state help to maintain local roads and bridges.

### **SETTING PRIORITIES**

Under the current business model, KDOT serves as a pass-through agency for local road system funding. A majority of the funding is distributed according to a formula, such as through the Special City County Highway Fund. All decisions are made at the local level, but federal rules limit flexibility and innovation in design standards when federal funds are used in a project.

A possible new model outlined by KDOT would establish a "pool" of federal and some new state funds, with distribution based on statewide and regional priorities and incentives might be provided for closing some local roads and bridges.

The state also would provide coordination and technical assistance to local entities, and the KDOT Local Projects Bureau could be decentralized.

"When we start looking at this huge backlog of needs, we need to start looking at the most critical," said Transportation Secretary Deb Miller, who is co-chair of the task force. "It would take 100 years to fix all the bridges with the federal funds available. We can't do this willy-nilly."

Several T-LINK members expressed support for setting priorities for local road and bridge projects.

"I don't think prioritization bothers anybody," said T-LINK member Allie Devine, vice president of the Kansas Livestock Association. "I don't think we can afford to suggest anything else."

Other T-LINK members suggested that KDOT help facilitate prioritization on a regional basis.

"We have to think outside the box," said T-LINK member Dean Mann, board chairman of Citizens Bank in Fort Scott. "It's amazing what you can do when you get these counties together. Maybe there could be a pilot program with KDOT involvement."

Others warned that setting priorities can be painful.

“It’s a sticky subject,” said T-LINK member Ed DeSoignie, executive director of the Heavy Constructors Association of Greater Kansas City. “It depends on whose farm is down that road.”

“People have come to expect a certain quality of road,” said T-LINK member Don Schroeder, a Kansas Representative from Inman. “It comes down to determining the public interest. Someone is going to suffer if we shift too much.”

Randall Allen, executive director of the Kansas Association of Counties, said “a bridge may have only 20 vehicles a day, but they may all be tractor trailers.”

Nevertheless, Allen said there needs to be some kind of collaborative process for a more sustainable local road system, with the state providing technical assistance.

T-LINK member Bart Hildreth, a professor of public finance at Wichita State University, said prioritizing road and bridge projects will result in winners and losers. But he said “there has to be recognition we don’t have unlimited resources.”

In other comments, T-LINK members said they did not favor creating a new governmental organization to drive decision making regarding local road and bridge improvements.

Task force members expressed interest in and some support for enabling local entities to request that KDOT “buy” their federal transportation funds at a rate of 80 cents on the dollar. Seitz said this would give localities the flexibility to build “right-size” projects and would reduce project development costs and time.

“There’s a huge interest in this among local agencies,” Seitz said. “They want more flexibility. The downside is all with the state, because then we have the federal restrictions.”

### **CREATING A MORE FLEXIBLE AND RESPONSIVE PROGRAM**

Miller gave a presentation summarizing past and current transportation planning, with an eye toward possible new directions.

She said the soon-to-end 10-year program has been predictable and accountable and has kept funds “safe” through an objective, rational formula. But the current system lacks flexibility, making it hard to plan for emerging opportunities, Miller said. There are no rigorous economic criteria for selecting projects, dialogue with stakeholders is limited and transportation planning is not linked to other statewide priorities, she said.

“At the local consult meetings, there was cautious support for flexibility,” Miller said.

Miller recalled that at the T-LINK local consultation meeting in Pittsburg on Sept. 26, Sen. Dwayne Umbarger of Thayer suggested a transportation program that’s funded for 10 years, with the first five years devoted to dedicated projects. Additional projects would be selected over the remaining five years.

In addition, Miller noted that Kansas Senate President Stephen Morris of Hugoton favors a transportation plan that starts out small and then ramps up.

Miller also suggested the possibility of more flexible state revenue bond financing, more state/local funding partnerships, tax increment financing districts or simply building as funding is available.

“There will be certain projects where we have to build a financing plan around the project itself,” Miller said.

Miller outlined a scenario for a Kansas Transportation Advisory Panel that would provide guidance on emerging issues, advice on project selection and response to input from localities.

She also suggested that the state use clear, concise descriptions for road projects, such as “preservation” or “modernization,” to reflect the purpose of the project.

## **FUNDING**

Joe Erskine, KDOT’s Deputy Secretary for Finance and Administration, presented possible funding scenarios that included more bond financing, higher vehicle registration fees, use of gaming revenue, a sales tax on motor fuels and removal of jet fuel tax exemptions.

“We’re getting to crunch time,” Erskine said. “We have to show ourselves, and everyone else, where the money is.”

Some T-LINK members at the Lawrence meeting said they liked the idea of additional bond financing to pay for transportation improvements, especially “mega” projects.

There was support for a “pay as you go” funding scenario that relies on user fees and taxes.

Mann said the development of more fuel efficient cars could make it difficult to raise additional revenues through a higher per-gallon fuel tax. He suggested reducing the per-gallon tax and adding a fuel sales tax.

Schroeder suggested more toll roads to pay for big projects. “We need to keep all our options open,” he said. “We shouldn’t be too specific.”

## **NEXT MEETING**

The next T-LINK task force meeting is scheduled for 9:00 a.m. Wednesday, Nov. 19 at the Ramada Inn located at 420 E. Sixth St. in Topeka. The discussion topic will be highways.