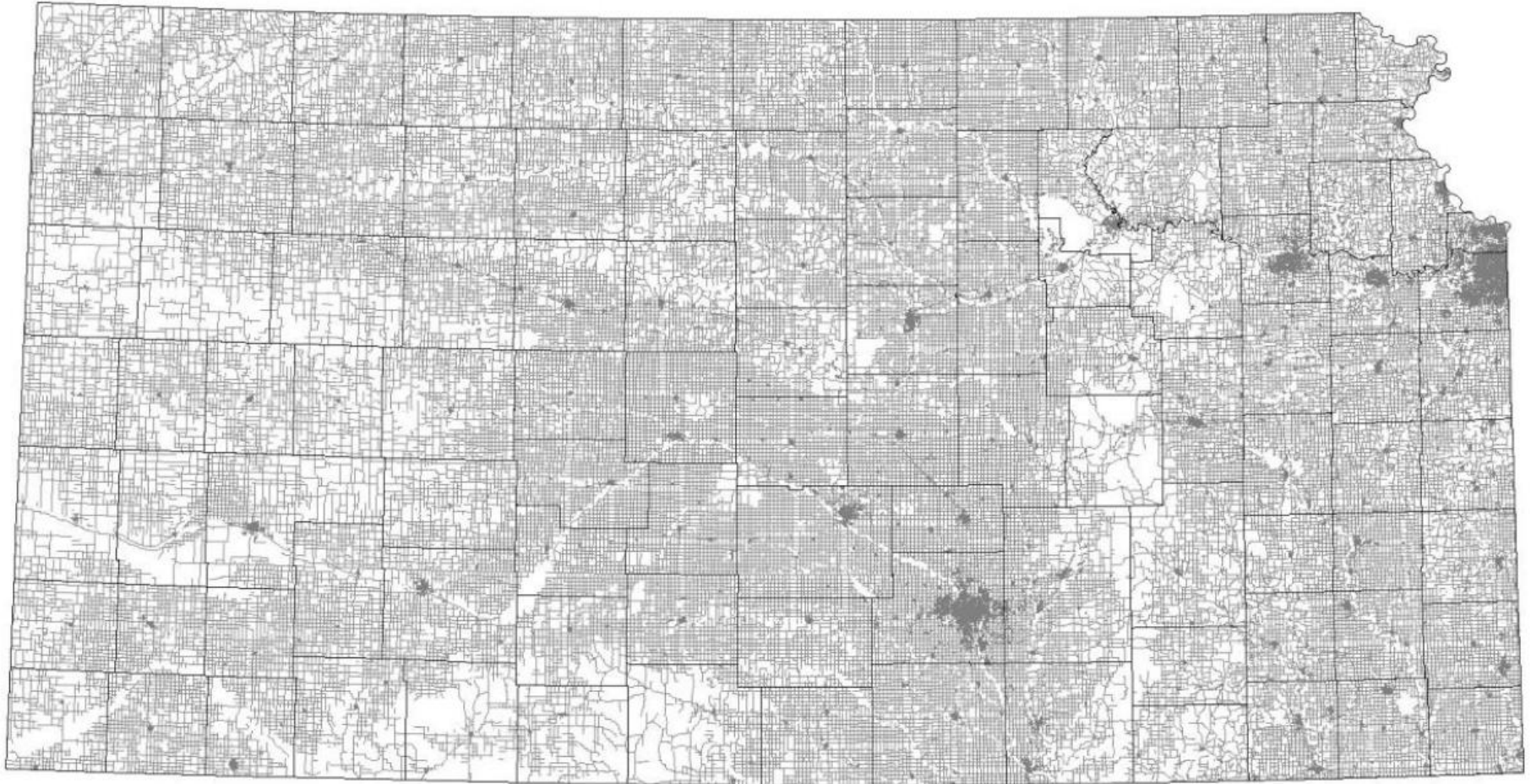


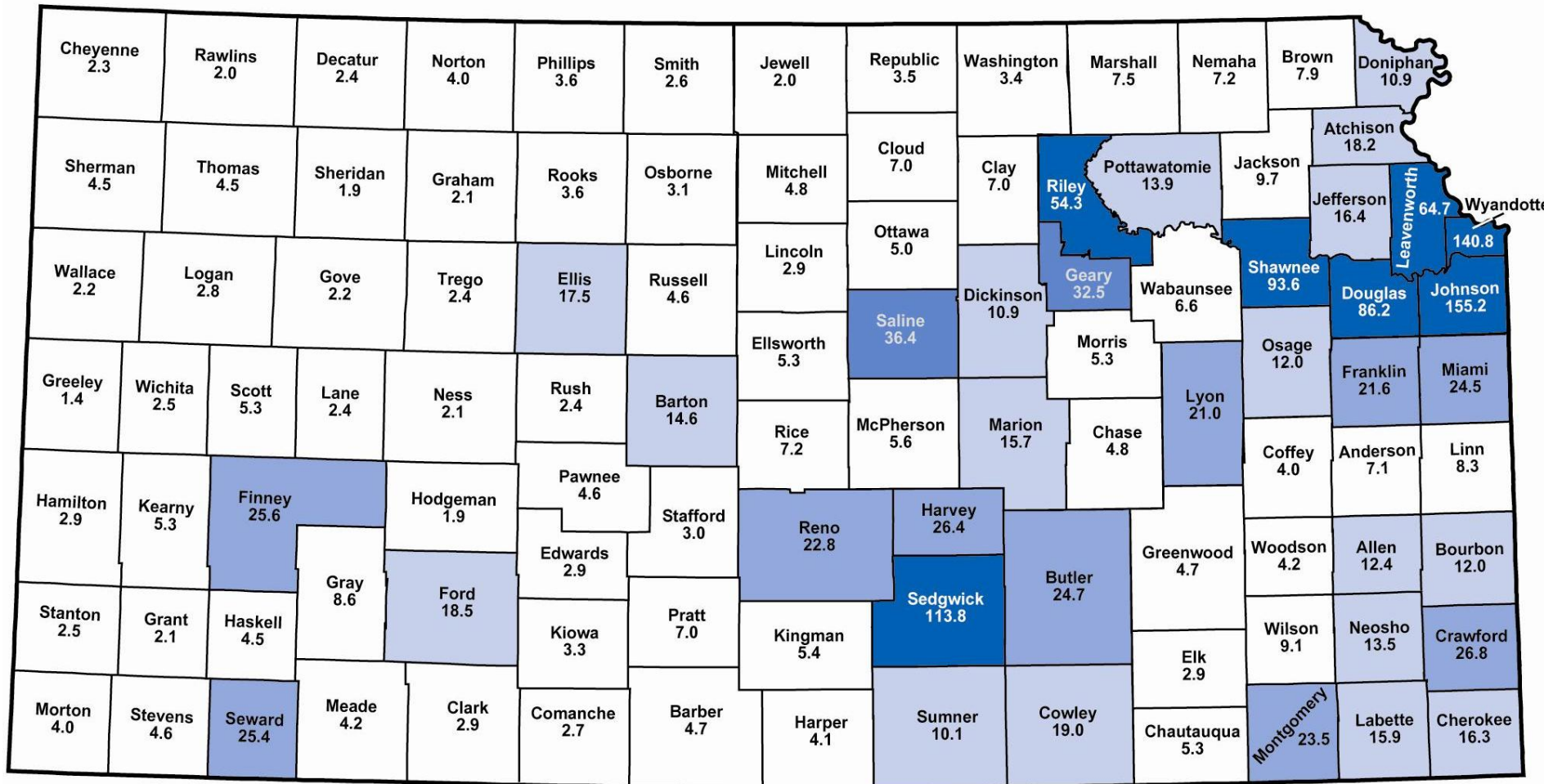


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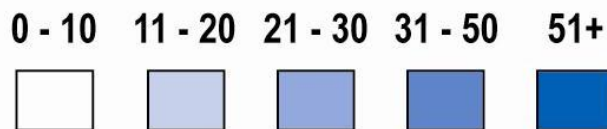
The Kansas Local Road System: 130,000 miles of local roads & 20,500 bridges



People per public road mile



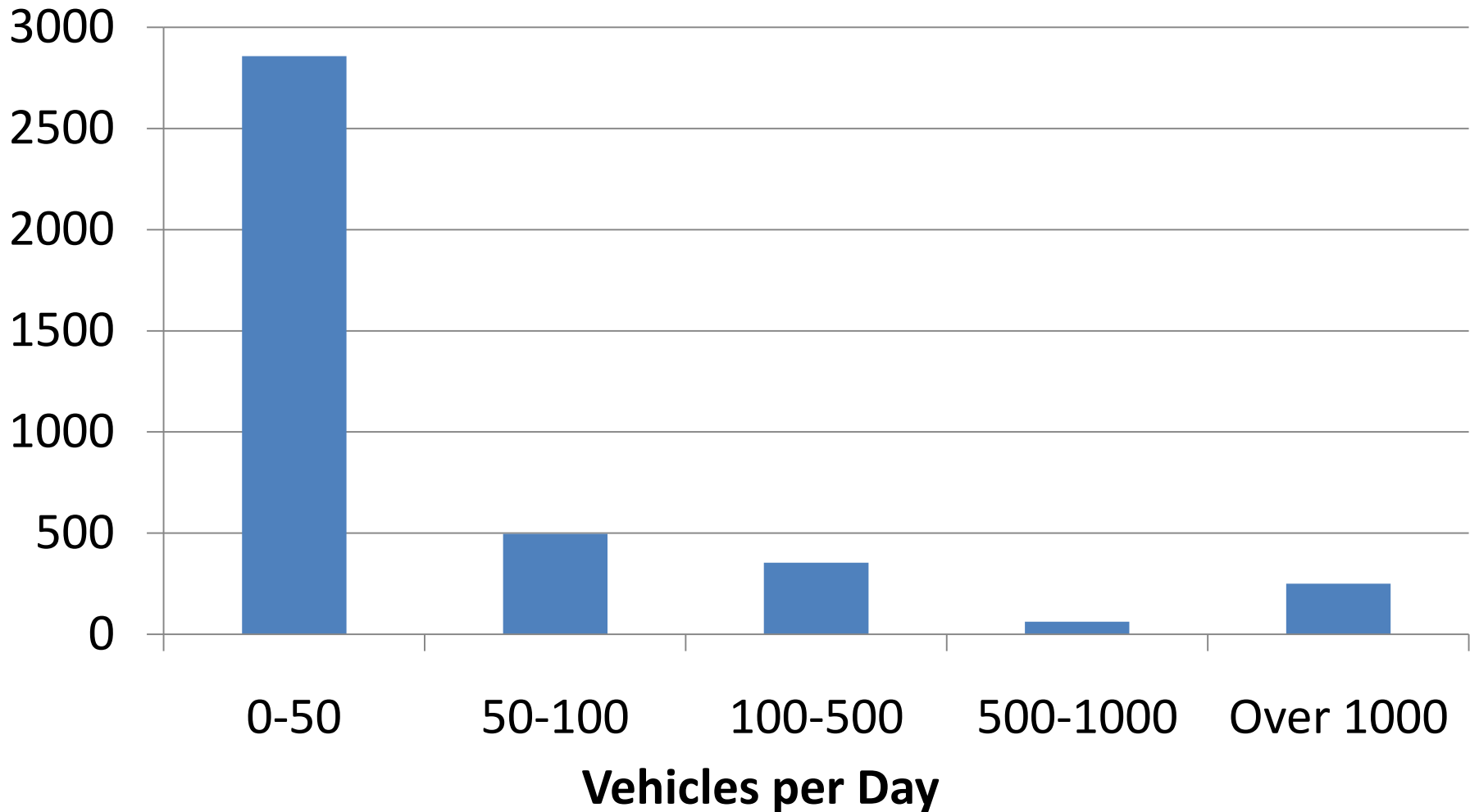
Persons per mile



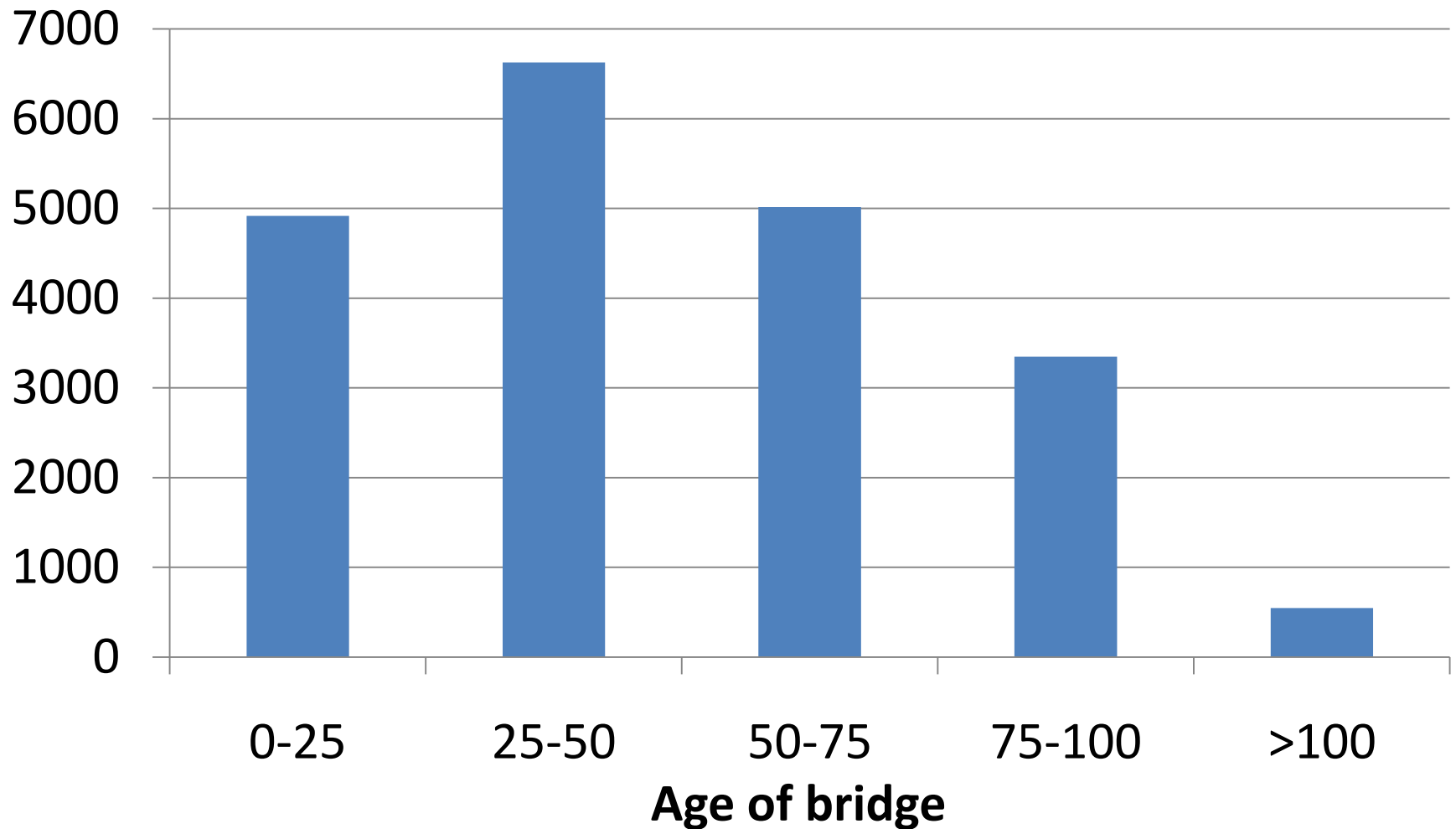
Number of counties



Most deficient bridges are lightly traveled



Half of local bridges are already beyond their 50-year design life



What's driving the need?

- The road and bridge system is large
- Trucks using local roads are getting heavier
- Population continues to shift to urban areas
- Fatal accident rate is higher on local roads

What is the need?

Surveys indicate needs are

2.5 to 3 times

greater than funding

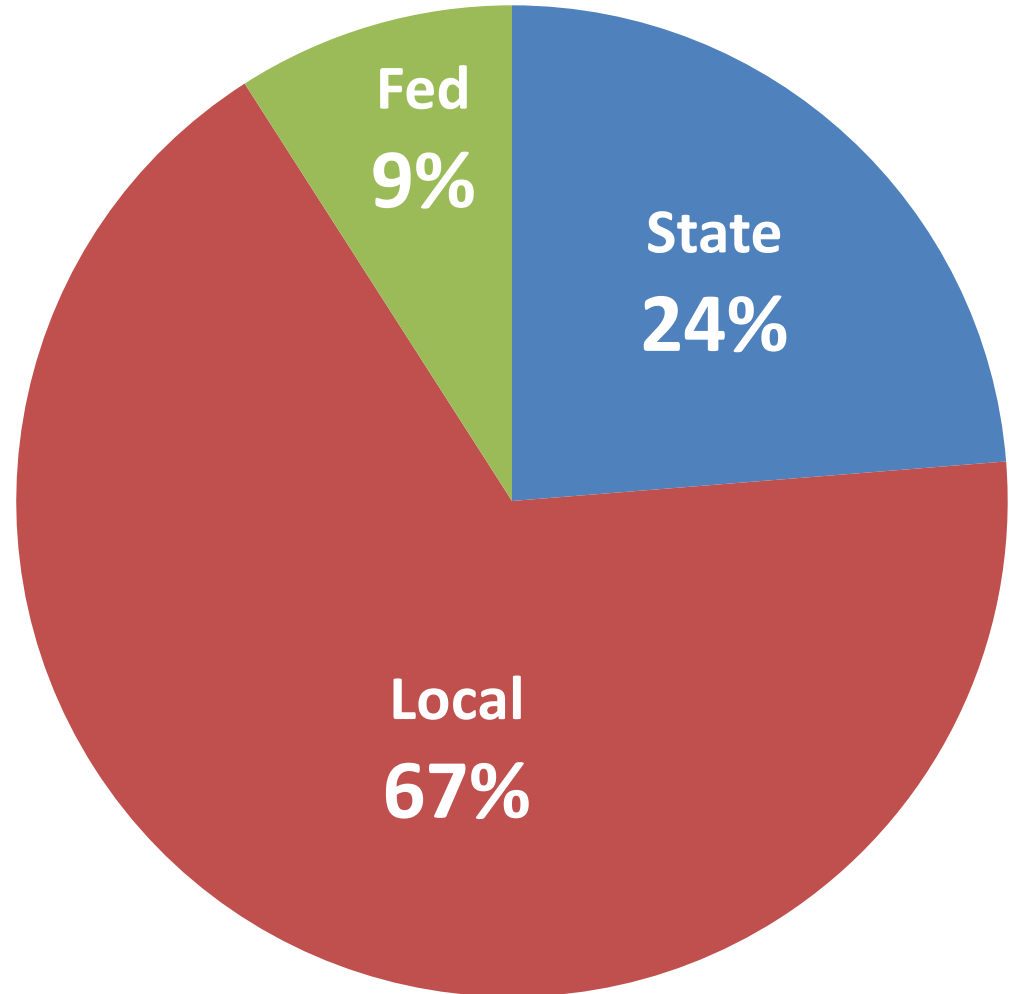
County Road Funding Sources

Local Sources:

Property Taxes
Special Levies

Local Consult:

“The tax base is not there to provide needed funds locally, it can’t be done without help from the State.”



History: Business Model

- **KDOT serves as a pass-through agency**
- **A majority of funding is distributed by formula and all decisions are made locally**
 - Special City County Highway Fund (state)
 - Federal-Aid
- **Federal rules minimize flexibility and innovation in design standards**


Proposed: Business Model Concept

- **Revise funding approach**
 - Continue a formula distribution for Special City County Highway Fund
 - Establish a “Pool” of Federal and some new State funds to distribute based on statewide and regional priorities

Proposed: Business Model Concept

- **Right-size the system**
 - Help eliminate pieces that make sense
 - Install the right bridges in the right places
 - Incentives for closing road/bridge
- **Provide coordination and technical assistance**
 - Could decentralize KDOT Local Projects Bureau

Business Model

Today  Proposed

| | | |
|--------------------------------|----------------------------|----------------------------------|
| Planning | Done locally, if at all | State assisted, collaborative |
| Right-sizing Initiatives? | No | Yes |
| Fund Distrib. and Decisions | All Local | Most Local, Some State |

Discussion: Business Model

Should the state take a more prominent role in helping to plan, fund, and right-size the local system?

Business Model First Step: Fund Exchange

- Allow locals to request KDOT to “buy” their federal funds
- Exchange Rate: \$.80 per dollar
- Allows flexibility to build “right-size” projects
- Reduces project development costs and time
- Program will require a project be built, funds can’t be rolled into the budget

Discussion: Fund Exchange

Should the state allow local agencies
to exchange their federal-aid
apportionments for state dollars?

Funding:

Special City County Highway Fund

- Primary piece of state funding for local roads, typically rolled into local street budgets
- 1/3 of all Motor Fuel Tax is dedicated for SCCHF – about \$150 million in 2008
- Distribution based on:
 - Counties: registered vehicles, miles of roadway, miles traveled
 - Cities: population

SCCHF Distribution Examples

| | <u>SCCHF</u> | <u>Lane Miles</u> | <u>Pop. Density</u> |
|------------|--------------|-----------------------|-------------------------|
| Highest | | | |
| Johnson | \$12.7 M | 950 | 155 |
| Median | | | |
| Washington | \$420,000 | 3300 | 3.4 |
| Lowest | | | |
| Comanche | \$158,000 | 1300 | 2.7 |

Discussion: SCCHF Distribution

Should the state change the way that
the Special City County Highway
Fund is distributed?

Funding:

City Connecting Link Payments

- For state highways that go through cities
- Intended for routine maintenance – striping, snow removal, etc.
- \$3,000 per lane-mile
- Total cost: \$3 million in 2008

Funding:

Local Partnership Programs

- Help preserve and modernize state highways that go through cities - \$11.4 million/year
- Economic Development component - \$7 million
- Competitive programs selected by Highway Advisory Committee
- No new projects are being approved for some of these programs pending future funding

Local Partnership Programs widely supported at Local Consult

“ If the CTP goes away, those KLINKs and Geometric Improvements and other local partnership programs all go away, and then all those roads go back to KDOT. We need these programs.”

– John Sweet, *Lyons City Administrator*

“I want to make a pitch for those local roads, because you need those veins going to those arteries.”

-- Kansas Rep. Bob Grant

Funding:

Transportation Revolving Fund

- Low-cost loan program for road and bridge improvements
- May be used to pay local share of federal-aid projects
- Funded with \$25 million in state funds and \$100 million in bonds
- Popular program, currently near capacity

Scenarios

| | 2008 | Inflate | Low | Med | High |
|----------------------|--------------|----------------|---|---------------|---------------|
| SCCHF | \$150 | \$240 | \$180 | \$210 | \$250 |
| New "Pool" | 0 | 0 | 30 (+ Fed) | 45 (+ Fed) | 60 (+ Fed) |
| City connecting link | 3 | 5 | 4.5 | 5 | 6 |
| Local Partnership | 11 | 19 | 17 | 23 | 31 |
| Economic Development | 7 | 12 | Make part of multi-modal program | | |
| TOTAL | \$171 | \$276 | \$222 | \$283 | \$337 |



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