

T-LINK discusses needs of various transportation modes, funding sources October 14-15 T-LINK Meeting Summary

Some potential new directions in transportation planning won preliminary approval this week from members of the Transportation –Leveraging Investments in Kansas (T-LINK) task force.

T-LINK members – leaders in the fields of business, government and labor – looked at a wide range of ideas at a meeting that took place Oct. 14-15 in Topeka. The gathering marked the latest step in the task force’s assignment from Gov. Kathleen Sebelius, which is to develop recommendations for a new strategic transportation approach as the state’s 10-year transportation program nears its end.

The task force faces a formidable challenge. Great needs exist in every transportation mode, in every section of the state. But money from current funding mechanisms is limited, and Kansas has no guarantee of federal transportation funding beyond a one-year measure that’s scheduled to run out in October 2009.

Meantime, the cost of construction materials continues to rise amid precarious economic conditions. It has been calculated that Kansas faces a transportation funding gap of \$1.5 billion a year for the next 20 years.

The task force recently held local consultation meetings around the state to gather citizen input about transportation needs and concerns. That input will guide task force members as they make recommendations to the Legislature on transportation goals, funding, plan flexibility and whether to include economic analysis as part of project selection in a future transportation plan.

The task force recommendations made Tuesday and Wednesday were preliminary in nature and represented guidelines for KDOT staffers to use as they continue to develop proposals. They include increased state funding for short-line railroads, airports and public transit and potentially bike/ped.

One of the highlights of the meeting was a presentation by Kansas Senate President Stephen Morris of Hugoton.

“We’re concerned, obviously, about fiscal conditions in the state,” Morris said.

Morris said he favors a transportation plan that “starts a little slower the first year or two and builds up over the later years of the program, in order to give us a little more flexibility with finances.”

Morris told T-LINK members they should not be concerned by the recent formation of an interim transportation committee by the Legislative Coordinating Council, which is made up of the House and Senate leadership. The committee will study the need for a new comprehensive transportation plan and look at possible new funding sources.

“The main reason for this is not to be competitive, but to be complementary,” Morris said. “We need everyone that’s in this room and all our friends across the state to pull together to be able to design and pass a 2009 comprehensive transportation plan.”

Morris said such a plan should include provisions for all modes of transportation.

As far as funding the next transportation program, Morris said, “We need to develop a hard core list of high priorities. Once we’ve got that list, then we can find a way to fund it.”

Here are the key points that were discussed at the meeting:

FINANCIAL OVERVIEW

Joe Erskine, KDOT Deputy Secretary for Finance & Administration, gave T-LINK members a financial overview of the state’s transportation landscape.

The overview included a menu of funding sources based on the “T-LINK Calculator,” an interactive tool that enables users to create and fund their own theoretical Kansas transportation program. The potential funding sources include increased vehicle registration fees, gaming, a higher per-gallon motor fuels tax, adding sales tax to motor fuels, adding a surcharge to Kansas Turnpike Authority tolls and using debt financing.

The overview states that issuing debt to fund projects should be based on several considerations. For example, are their urgent needs such as safety improvements and infrastructure for development opportunities that could only be funded in a timely fashion through bonding?

“Debt is not a dirty word,” said T-LINK member Bart Hildreth, a professor of public finance at Wichita State University. “Debt is a very appropriate instrument to regulate revenue flows.”

Some support was expressed for broadening sales taxes and eliminating some current sales tax exemptions.

But T-LINK member Bill Pickert, with the BKD accounting firm in Wichita, said he opposed the elimination of sales tax exemptions.

“I think business in general would be supportive of looking at user-related costs, and fees associated with funding transportation,” Pickert said. “But I think it is problematic for us to start looking at removing sales tax exemptions. Those exemptions are there because our businesses in Kansas needed those exemptions in order to compete with businesses in other states.”

Erskine asked T-LINK members to continue to provide feedback on funding ideas as they formulate their recommendations in coming months.

SHORT-LINE RAILROADS

Terry Heidner, KDOT legislative liaison, gave a report on the state's short-line railroad program. Kansas currently provides \$3 million a year in loans and grants for short-line railroads.

Over 10 years, the program has completed 41 rehabilitation projects at a cost of \$23.4 million, including state and matching funds.

Despite its success, the program faces some limitations:

- Funding has not kept pace with needs.
- Shippers, local governments and industrial parks are not eligible for funds to build spurs or improve sidings.
- Despite many economic development successes spawned by the program, funding and project selection are not always flexible enough to capture economic opportunities.

KDOT estimates the program needs \$20 million a year to replace and upgrade rail to handle heavier rail cars traveling up to 25 mph.

Some members questioned the wisdom of a program that subsidizes private businesses.

But Transportation Secretary Deb Miller noted that the short lines were typically abandoned by large railroads and were in bad shape when the current owners acquired them. "Absent the short-line railroads, we don't have good rail service in our state," she said.

T-LINK member Pat Hageman, a Rooks County Commissioner, said the state can't afford to lose any more short-line railroads.

T-LINK member Joe Reardon, mayor of the Unified Government of Wyandotte County/Kansas City, Kan., said "opening up the loan program to other entities puts another tool in the tool box for developing rail."

Some members suggested funding mechanisms such as bonding or having private banks lend money to the railroads, with the state buying down the loan by a few percentage points.

Most members agreed with the concept of expanding the program to at least \$5 million a year, including loans and grants, and extending it to entities such as shippers, local governments and industrial parks. They asked staffers to come back with more details about how such a program would work.

PASSENGER RAIL

KDOT's Joel Skelley, KDOT Multimodal Planner, told task force members that KDOT is funding a study to identify potential ridership and start-up and operating costs for expanding passenger rail service

between Kansas City, Oklahoma City and Fort Worth. The study, which is scheduled to begin this month, will be conducted by Amtrak and the BNSF Railway.

The study is scheduled to take 6 to 9 months to complete. Because the study has not yet been done, there are no definite cost figures for task force members to look at.

Mark Corristion, Kansas City director of the Northern Flyer Alliance, said the expansion would benefit the entire state in terms of economic development.

“Your leadership is required to make this happen,” Corristion said.

About 8 people from retiree organizations came to the meeting in support of passenger rail.

It would be up to the Kansas Legislature to decide to fund expanded passenger rail. Such a move would require a 2/3 majority vote in Topeka. The state would be responsible for start-up costs, though some federal help might be available.

The hoped-for expansion also would require funding approval by the Oklahoma Legislature.

AVIATION

Ed Young, director of KDOT’s aviation division, reported on the state’s Airport Improvement Program. Kansas currently provides \$3 million a year for the program, with local matches ranging from 10 percent to 50 percent.

The program has greatly improved runways, and state funding has been used to leverage federal funding, Young said.

The program is geared toward small airports.

But 52 Kansas airports still lack all-weather access, a shortcoming that limits air ambulance service and economic development. Young said it would take \$52 million - or \$5.2 million a year for 10 years - to rectify the situation.

Just to adjust the current program for inflation would raise it to \$5.5 million a year, Young said.

KDOT proposes a strategic statewide plan for airport improvements that would continue to require local matches.

T-LINK member Dean Mann, board chairman of Citizens Bank in Fort Scott, said it also was important for airports to formulate their own long-range strategic plans.

T-LINK members generally supported increased funding for the program, and said they wanted to further examine the possibility of eliminating fuel tax exemptions for commercial and charter planes to help pay for it.

Task force members also said it was crucial for local communities to help pay for improvements to their airports. “I hate to throw them under the bus if they can’t contribute, but they need to make some contribution,” said T-LINK member Don Linville, board chairman of the Garden City Area Chamber of Commerce.

Other ideas included funding mechanisms that would involve air ambulance services and the state’s transportation revolving fund.

TRANSIT

Lisa Koch, KDOT’s public transit manager, told task members about the need for increased funding and the potential benefits of a suggested new business model for public transit in Kansas.

Koch said many Kansans need public transit to get to medical appointments, to maintain their independence and to get to their jobs.

Quoting an estimate by the American Public Transportation Association, Koch said a \$1 investment in public transit yields a \$6 return.

Public transit also alleviates traffic congestion, promotes overall health and safety and improves air quality, Koch said.

Demand for public transit has increased because of rising gas prices. The transit program in the Unified Government of Wyandotte County/Kansas City, Kan. recently expanded to include Sunday service, and the K-10 Connector transit route between Johnson County and Lawrence has been a huge success.

But state support has been slipping even as demand has grown, Koch said. For example, she said ridership on Topeka’s public transit system has increased by 28 percent since 2002, while state funding has declined by 7 percent. Local funding has risen by 33 percent, but operating costs have shot up by 61 percent.

Meantime, 12 counties in western Kansas have no transit service that receives any funding from KDOT.

Some parts of the state are served by multiple providers, but service is cramped by a lack of coordination among those providers. Sometimes problems and inefficiencies arise when a county-funded provider won’t transport people into another county, for example. The state now provides \$6 million a year for public transit.

KDOT is recommending that state transit funding be upped to \$15.9 million a year. The new total would consist of \$8.3 million for urban transit, \$4.4 million for rural/specialized transit, \$1.2 million for commuter transit (the K-10 Connector) and \$2 million to create a suggested new business model known as mobility management districts.

Federal pilot funding for the K-10 Connector program is scheduled to end next year.

The mobility management districts would be designed to increase efficiency. The business model calls for KDOT to directly fund one mobility manager. That manager would be required to provide a specific level of service and could subcontract with other transit providers. The lead agency would use “one-call” dispatching to promote cooperation among multiple providers.

T-LINK members generally said they supported the increased funding targets, with some qualifications.

“The level of funding support needs to be increased, with a local match,” Linville said. He also supports more money for commuter transit, but wants to see the money spread around state.

T-LINK member Pat Weaver, with the Kansas University Transportation Center, said a commuter transit program should include van pools in areas such as southeast Kansas, where large numbers of workers have difficulty getting to their jobs.

Miller, noting the growing demand for transit, said the state may need to consider more funding than what the KDOT staff proposed. “I think \$16 million is more bare bones than we want it to be,” she said.

BIKE/PEDESTRIAN

Becky Pepper, KDOT’s bicycle and pedestrian coordinator, told task force members that bicycling and walking are important to the state’s quality of life. She noted that more people want to bike to work because of higher gas prices, and businesses consider alternate forms of transportation when they relocate.

Most bike/ped projects are locally funded, though federal funding is available. There currently is no direct state-sponsored program for bike/ped projects or education, though in 2007 KDOT partnered with the National Highway Traffic Safety Administration to spend \$21,000 on public information, education and bike helmets.

According to KDOT there is a great need for improved bike/ped facilities in Kansas. The state’s five urban areas have plans on the books for more than \$100 million in projects over the next 20 years. Needs in rural areas and small cities are harder to measure, but applications to the federal grant program have exceeded available funding by a six-to-one margin.

KDOT did not make a specific financial recommendation for bike/ped funding. But it said if the state wanted to better leverage the existing federal program, every \$1 million in funding could construct as many as 10 miles of bike and pedestrian path, assuming that local applicants would match state dollars one for one.

When KDOT builds a road, accommodations for bicycles and pedestrians are often, but not always, a part of the project.

T-LINK members acknowledged the benefits of bicycling and walking, and asked KDOT staff to look at ways KDOT could partner with other agencies in bike/pedestrian education efforts.

Task force members also said bike/ped accommodations should be considered when KDOT builds roads, and especially bridges.

T-LINK members asked for more information about federally funded programs and urged that the state be more forward thinking about quality of life issues related to bicycling and walking.

Weaver, with the Kansas University Transportation Center, noted that bicycling and walking can make a big difference in the health of Kansans. "It's primarily a local responsibility, but the state can help fill in," she said.