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TESTIMONY BEFORE SENATE WAYS AND MEANS COMMITTEE

REGARDING HB 2234 RELATING TO FORMALIZING THE PARTNERSHIP BETWEEN THE KANSAS DEPARTMENT OF TRANSPORTATION AND THE KANSAS TURNPIKE AUTHORITY

March 21, 2013

Mr. Chairman and Members of the Committee:

I am Mike King, Secretary of the Kansas Department of Transportation (KDOT) here today to discuss HB 2234. HB 2234 began as a proposal to allow KDOT and the Kansas Turnpike Authority (KTA) to contract to share resources to reduce duplication, for example in services, assets, ect. The reduction of duplication would be achieved most efficiently under the consistent management of the KDOT Secretary.

While we support having contracting authority between the two entities, the current version of the legislation will not allow the savings that are reflected in the Senate budget proposal. We ask that the committee consider action that would bring the legislation more in-line with the Governor's proposal and allow both KDOT and the KTA to reduce duplication to the fullest extent. With that the agency suggests the following considerations as it relates to HB 2234:

Consistent management

The current proposal would not allow the Secretary or the Secretary's designee to serve as the manager over the turnpike operations under the authority of the board. The intention of this component of the Governor's proposal was to allow Secretary of KDOT to use the Turnpike as an economic development tool to grow the state. Having both the KTA and KDOT under the same management umbrella will maximize our roadway assets as a full system to bring economic growth to the state. We can use this to bring more traffic through Kansas and more businesses to locate in Kansas. As you drive the turnpike it is easy to envision prime locations where distribution businesses could prosper from the valuable access to quality highways for product transportation efficiency.

Reduce duplication of services and infrastructure.

Language currently in the bill does suggest an intention of reducing of duplicative services but limits the contracting authority between KDOT and KTA to only sharing in the areas of personnel and equipment. The agency suggests adding "and other resources" so that the two entities can work together on a wider variety of services such as; traffic surveys, cost analysis, infrastructure insurance costs, technology, engineering services, land, buildings, ect. This addition to the legislation would allow the teams of both KDOT and KTA that specialize in these fields to work together and identify where the specific savings can be found.

In addition, the current language reduces the ability of KDOT and KTA to look at combining infrastructure assets such as building and land. The biggest portion of savings related to HB 2234 really lies in the ability to utilize cost-saving changes in these areas.

Completing the Transportation System.

This legislation, as introduced, allows the agency to plan for the transportation system as a whole unit rather than have two separate entities working independently without a cohesive mission for the entire transportation system. Limiting the ability of KDOT and KTA to contract on construction, operation, and maintenance of the turnpike to within 10 miles of a turnpike connection would limit the flexibility of the two entities to work together effectively. This bill, as introduced, would have allowed the Secretary of Transportation to oversee and make transportation related decisions with the entire system including the Turnpike and its uniqueness in mind.

I appreciate the opportunity to appear before the committee to present on HB 2234. I would be happy to answer questions at the appropriate time.