

**TESTIMONY BEFORE
HOUSE TAXATION COMMITTEE**

**REGARDING HOUSE BILL 2747
RELATING TO THE HOUSE TAX PLAN**

February 15, 2012

Mr. Chairman and Committee Members:

I am Barbara Rankin, Acting Secretary for the Kansas Department of Transportation (KDOT). House Bill 2747 will prevent KDOT from delivering the Transportation Works for Kansas (T-WORKS) Program as promised.

One of KDOT's key roles is to advocate for the transportation needs of Kansans. Transportation is the backbone of economic development and job creation in Kansas. This state priority was recognized with the passage of the T-WORKS program during the 2010 legislative session. The T-WORKS program promised investment in infrastructure that would provide over \$10 billion in economic impact and thousands of jobs to the state of Kansas, in addition to safety, maintenance and other modal investments. A critical component of the funding for T-WORKS includes 4/10 of the one cent sales tax increase that passed in 2010.

HB 2747 would reduce KDOT's anticipated revenues by \$159.6 million in FY 2014 and \$191.5 million in FY 2015. While the bill promises these reductions will be paid back over the following seven years, the T-WORKS program will be \$120 million short in FY 2020. Even if the payback occurs as proposed, this change in revenue flows will result in project delays and increased costs. Put simply, KDOT will not be able to deliver the T-WORKS program as promised in the 2010 legislation.

Through the implementation of the first two years of T-WORKS, KDOT has received excellent bid prices, allowing us to recently accelerate \$50 million in preservation projects to create or sustain jobs now instead of waiting. Delaying KDOT revenues will prevent us from maintaining current project schedules and continuing to take advantage of lower bid prices by advancing projects as cash flow allows.

Thank you for allowing me to speak to HB 2747. I would be happy to stand for questions at the appropriate time.