

May 8, 2020

Honorable Senator Jerry Moran
By Email: Lauren.Orndorff@moran.senate.gov

Dear Senator Moran,

Speed – Investment – Jobs – These are the cornerstones of stimulus creating a basis for and strengthening economic recovery. Kansas is poised to put infrastructure investment to work for economic recovery. We collectively stand ready to work together to achieve the maximum benefit with federal investment in our infrastructure.

Infrastructure in Kansas has been a source of pride with multiple transportation programs spanning 40 years. The recent passage of the next 10-year transportation program, the Eisenhower Legacy Transportation Program (IKE) provides greater flexibility and focus on expedited project delivery. It has been Governor Kelly's goal to eliminate transfers from the State Highway Fund to provide the proper investment in the transportation system and prepare Kansas for the future. Because our previous transportation program, T-WORKS, investments were not achieved, the state highway system declined. For example, 40% of our highways are in poor or mediocre condition and 49% of our bridges were built in 1969 or earlier. There are several locations in Kansas where congestion under normal conditions is costing people millions of dollars per year in wasted time and fuel.

As our first priority, we urge Congress to provide \$49.95 billion as an immediate revenue backstop to state departments of transportation (DOTs) to prevent major disruptions in their ability to operate and maintain critical infrastructure systems during this national emergency. **As our second priority**, we respectfully urge you to take action to rebuild and modernize America's infrastructure through a strong, longer-term stimulus investment package.

Kansas is expected to lose between \$100 M and \$450 M in funding for transportation, which is one of many fiscal impacts of COVID-19. This range is based on state consensus revenue estimates (CRE) for the Kansas state general fund as a base for reduction in sales tax and our estimates of reduced motor fuel tax (MFT) collections. We used the CRE information and information from other states, our own traffic reductions and information from the Petroleum Marketers Association to estimate reductions to MFT. To be clear, this is only an estimated range and no budget decisions/actions have been enacted as of this writing.

Our shared story is that we face lost jobs, closed businesses and enormous changes in our daily lives. The Kansas DOT worked in close partnership with the construction industry to keep construction sites open for work as safely as possible. The impact to the construction industry would have been much greater had the state been forced to stop construction projects. We are thankful that our strong

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partnerships and some adjustments to process could allow for safe delivery of the construction projects for the state.

The impact on the transportation system in the aviation and public transportation sectors felt those changes immediately and **we appreciate** the security that the federal funding made available in the CARES Act passed by US Congress allowed to keep those transportation options going.

We know responsiveness is important and are pleased that the IKE program allows the use of alternative delivery processes so we can deliver projects faster. We have convened a stimulus prep group including industry, KDOT and FHWA to drive faster project delivery so we can invest stimulus funds into the economy as fast as possible.

As we face reduced revenues to the state, the signatories on this letter including the Kansas Department of Transportation, industry associations and members of the Stimulus Prep Team respectfully request that consideration be given to help ALL forms of transportation in Kansas and the jobs and businesses that rely on the work that comes from maintaining that system in our state. Just as importantly, our citizens rely on a safe, efficient transportation system to get goods and supplies to markets and to begin returning to work as Kansas reopens.

It is time to shift to economic recovery.

Kansas is experiencing the same economic hardships being experienced across the country, and our role in providing food to the rest of the nation couldn't be more important. We want to share with you Kansas' top priorities for infrastructure investment as we manage the current climate and move forward:

- **Stimulus investments to increase employment** – The transportation industry employs thousands of people in Kansas. That investment has a ripple effect through the economy 3-4 times over the initial investment and provides lasting value. Finishing T-WORKS and delivering high-value, new projects is important to economic recovery in Kansas. We will be announcing new projects for development soon as a part of the newly enacted 10-year (IKE). These projects will be valued at more than \$1.5 billion PLUS we have a significant backlog of bridges to be repaired and replaced. That selection and listing of projects is in progress and once it is complete, we will look to partner with you to deliver these priorities for Kansas.
- **Keep people connected** – Broadband buildout across the state is included as a part of our new state transportation funding program. Improved connectivity is especially important for people tele-working and rural healthcare, keeping Kansas businesses connected to their

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customers and connecting schools and students in an online learning environment. Without question, a stronger broadband system will help keep our economy moving.

Flexibility is key for making sure funds are deployed at their highest use for each state – whether that’s maintenance/preservation, completing promised projects or starting new work. Given the urgent nature of Kansas’ needs in the coming weeks and months, we request these backstop funds be treated as state revenues that otherwise would have been collected for a wide range of state DOT activities without the COVID-19 pandemic.

Thank you for your bold leadership during this unprecedented crisis and for your consideration of our request for the next COVID-19-related legislation.

Sincerely,



Julie L. Lorenz
Secretary of Transportation
Director of Kansas Turnpike Authority

Bridgette Williams, Executive Director



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Stimulus Task Force Members

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- Gavin Barnby, Pyramid Contractors
- Trey Bowen, Superior Bowen Asphalt Company
- Scott Heidner, American Council of Engineering Companies
- Barclay Hornung, Comanche Construction
- David Howard, Koss Construction Company
- David Jacobson, Kansas Turnpike Authority
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