

T-WORKS

Revenue and Programming

How much revenue would be available over the next 10 years?

Revenue from Existing Sources	\$5,486	(in millions)
<i>Available for Construction, SCCHF, & Modes</i>		
<u>New Revenues from HB 2650 and 2360</u>		
\$100 increase in Heavy Truck Registration*	131	
0.4% increase in State Sales Tax Deposit**	1,536	
\$1.7 billion in Bonds Issued	1,060	
Total New Revenue	\$2,727	
Total Revenue Available	\$8,213	
<i>Available for Construction, SCCHF, & Modes</i>		

* Truck Registration Clarification - The registration fee increase begins in 2013 and includes heavy duty trucks. It does not include cars and light-duty pickup trucks, antique cars or motorcycles.

** The increase in the State Sales Tax Deposit begins in 2013

What the program would look like over the next 10 years?

Category	No new revenue (\$ millions)	HB 2650 (\$ millions)	% of T-LINK Recommended Program
Highway Preservation	\$3,768	\$4,626	100%
Transit - Increase from \$6M/year to \$11M/year beginning in 2013	60	100	56%
Aviation - Increase from \$3M/year to \$5M/year beginning in 2013	30	46	70%
Rail - Increase from \$0 to \$5M/per year beginning in 2013	0	40	48%
Special City County Highway Fund <i>SCCHF receives 1/3 of all motor fuel taxes</i>	1,628	1,628	85%
Remaining for Construction <i>This would include KDOT Local Partnership Program, as well as Highway Expansion and Modernization projects</i>	0	1,773	39%
TOTAL Program	\$5,486	\$8,213	71%

T-WORKS – Overview

Preservation - T-WORKS will ensure 100% of highway preservation needs are met. Every mile of state highway will receive some preservation work. Without T-WORKS, the condition of Kansas highways will decline substantially and the 20-year investment Kansans have made in will be wasted.

Economic Opportunities - T-WORKS will allow for expansion projects that help Kansas capitalize on economic opportunities.

Safety - T-WORKS will allow the State to continue to modernize the system by adding shoulders, straightening curves, flattening hills and improving intersections.

Jobs - It is estimated that the T-WORKS program will create or sustain 175,000 jobs over the next 10 years.

Local Consultation & Geographic Distribution - Every county and area of the state will benefit from this bill.

- \$4.6 billion will be spent on preservation projects. Every mile of highway on the state system will have some type of preservation work done. Bridge work will also be done all over the state.
- Every region will have some projects funded from the \$1.7 billion of expansion funding.
- The number, scope and actual projects still need to be determined. Once the T-Works bill has passed, KDOT will move quickly to conduct a series of local consultation meetings where local officials, community leaders, legislators and KDOT can discuss how funds in their region should be spent on major projects and what the most appropriate scope of those projects is to best utilize the available funding.
- Transit, aviation and rail projects will also be provided around the state.
- The bill requires that KDOT spend a minimum of \$8 million in each county in Kansas. Spending on roads, bridges, transit, aviation and rail all count towards the \$8 million.

18% Bonding Cap - The bill would give KDOT the authority to manage debt under a debt service cap of 18%. The cap ensures that the amount the State Highway Fund (SHF) owes in debt service in any given year could not exceed 18% of the expected SHF revenues.

- *Debt Service - principal and interest payments*
- *SHF revenues – federal reimbursements, sales tax transfer, registration fees, and motor fuel tax*
- The debt service cap will allow KDOT flexibility to attend to emerging needs.
- Not all \$1.7B would be authorized at one time. As debt is paid down, new capacity would become available, so it would be spread out and managed responsibly over time.
- KDOT currently has \$1.5 billion in outstanding debt. KDOT is scheduled to pay down over \$100 million in principle each year. The current debt is scheduled to be paid off in 2025.
- The highest debt authority for the SHF was \$1.975B in 2002. The largest estimated debt outstanding over the next ten years would be \$2.2B
- State Highway Fund debt is separate from SGF debt, and the SGF will never be asked to service KDOT debt
- Build America Bonds (BAB) will likely be used to fill the immediate preservation gap. BABs are just a type of bonds that are serviced over 25 years (all other KDOT debt is serviced over 20 years). BABs are included under the 18% cap.