



March 30, 2007

The GR Capitol Report

Governmental Relations 573/522-9284

FARBER APPOINTED AS NEWEST MHTC MEMBER: On March 19, Gov. Matt Blunt announced Rudolph (Rudy) E. Farber (R-Neosho) will serve on the Missouri Highways and Transportation Commission (MHTC).

Mr. Farber, a resident of Neosho for over 60 years, received a BS in Finance from Northwestern University, and a MBA in banking from Columbia University in New York. Mr. Farber serves as Chairman of Community Bank and Trust, where he began part-time employment in 1957.

Farber is active in community development serving as Chairman of the Neosho Area Chamber of Commerce Industrial Development Committee and member of the Economic Development Committee. Mr. Farber serves on the City of Neosho's Tax Advisory Committee, as well as the Board of Directors for the Freeman Southwest Family YMCA.

The appointment is subject to Senate confirmation for a term ending on March 1, 2013. He will replace Commissioner Marjorie Schramm from Kirkwood whose term has expired.

The State Highways and Transportation Commission is a six-member bipartisan board that guides the Missouri Department of Transportation. Commission members are appointed by the governor and confirmed by the Missouri Senate. No more than three commission members may be of the same political party. The term of the commission is six years.

COMMISSIONER ANDERSON TO LEAD MHTC: On March 13, the Missouri Highways and Transportation Commission (MHTC) elected Jim Anderson (Springfield) as its new chairman. Duane Michie (Hayti) was elected to serve as vice-chair.

Under state law, the chair and vice chair are chosen based on commissioners' seniority. Commissioners Anderson and Michie both have served since 2001.

Other members of the commission include: Bill McKenna (Crystal City), Mike Kehoe (Jefferson City), David Gach (St. Joseph), and newly appointed Rudy Farber (Neosho).

PEEL BACK AN ONION YOU GET NOTHING – MUCH LIKE FUNDING FOR AMTRAK: The House began floor debate this week on the state's fiscal year 2008 budget. During the floor discussions, MoDOT's budget request of \$6.3 million from general revenue for Amtrak's operation was slowly peeled back – layer by layer – much like that of an onion.

HB 4, which contains MoDOT's \$2 billion budget requests, remained much in tact; however, general revenues for Amtrak's operation were divided up between various other state services.

The House members (via the amendment process) redistributed the \$6.3 million for other state services. Monies were reallocated from Amtrak to fund:

- \$300,000 (Rep. Jim Lembke, R-St. Louis) for a Veteran's Commission video program;
- \$100,000 (Rep. Bob Dixon, R-Springfield) for Greene County Health initiative;
- \$640,000 (Rep. Mark Bruns, R-Jefferson City) for Lincoln University to pay back a grant to the federal government; and
- \$5.26 million (Rep. Mike Dethrow, R-Alton) for transportation for public schools.

After these general revenue deductions, \$1.1 million remained for the operation of Amtrak from dedicated funding sources of MoDOT. This money is allocated from the state transportation fund; monies that cannot be used for other state services.

It is expected that once the budget bills pass the House and get into the hands of the Senate, the Senators who live along the Amtrak rail system will restore general funding to keep Amtrak operating for another year.

BUDGET BATTLES CONTINUE IN THE SENATE: On March 27, the Senate Appropriations Committee discussed HB 19. HB 19 is the state's Capital Improvements Budget for fiscal year 2008.

While HB 19 contains funding for all state agencies, the provisions of the bill associated with MoDOT included monies for port projects and funding for the Joplin and Bethany Welcome Centers.

HB 19 also contains a funding request of about \$7.2 million in highway funds for a new radio system for the Missouri State Highway Patrol. Considerable discussion took place between various committee members and the director of Public Safety about the radio interoperability system and its capability to connect with local law enforcement entities.

The committee took no action on this proposal.

LEGISLATORS CREATE NEW BUDGET POSITION: State lawmakers have recently hired their own legislative budget office director. Dan Kowalski, who previously worked for the U.S. House Budget Committee, was named to the position by the Joint Committee on Legislative Research.

This new position has been created as a counterpart to the state's Office of Budget and Planning, which falls under the governor's administration. This position has been designed to provide estimates on various legislative proposals that cost the state money and help review those estimates after laws take effect to check their accuracy and figure out how to improve the process and to review state revenue and expenditures in general.

DRUNK DRIVING VICTIM MEMORIAL SIGN PROGRAM PRESENTED TO THE HOUSE TRANSPORTATION COMMITTEE: On March 27, the House Transportation Committee held a hearing on HB 642, sponsored by Rep. Bill Deeken (R-Jefferson City). The bill proposes that the Missouri Department of Transportation establish a drunk driving victim memorial sign program. The purpose of the program is to not only remember those killed by drunk drivers but to also increase awareness of the dangers of drinking and driving.

Testifying in favor of the bill was Ms. Gail Rehme whose brother was killed by a drunk driver.

No one else testified in favor or in opposition to the bill. No action was taken.

RETIREMENT ISSUES - SOME BELIEVE WHAT IS GOOD FOR MOSERS IS GOOD FOR MPERS: UPDATE ON RETIREMENT ISSUES: On March 28, the Senate Pensions, Veterans and General Laws Committee met.

During an executive session of the committee, the members approved SCS/SB 628, sponsored by Sen. Luann Ridgeway (R-Smithville). The bill will provide that any vested member of the Missouri State Employees' Retirement System (MOSERS) or the Highways and Transportation Employees' and Highway Patrol Retirement System (MPERS) who has terminated all employment with the state may elect to receive a lump sum payment for the present value of a deferred annuity. There was an earlier attempt made in the committee to exclude MPERS from the bill provisions. However, the Committee Chair, Sen. Jason Crowell (R- Cape Girardeau) stated "what is good for the goose is good for the gander" and a subsequent amendment put MPERS back into the provisions of the bill.

On March 29, the House Special Committee on Retirement held a hearing on SB 127, sponsored by Sen. Rob Mayer (R-Dexter). SB 127 would allow every member of the Missouri Department of Transportation and Highway Patrol Employees' Retirement System, which includes each employee of the Highways and Transportation Commission, each uniformed member of the highway patrol, and each civilian or non-uniformed employee of the state highway patrol, to purchase up to four years of creditable public service prior to retirement. An amendment was adopted that would require two retirement board members to be retirees. MoDOT would vote for one retired member and the retirees would vote for the other retired member.

Testifying in support of SB 127 was Harry Hill, representing the Transportation Employees Association of Missouri.

There was no opposition to the bill. The committee approved the bill and now goes to the House floor for additional debate.

STATE EMPLOYEE PAY RAISES DEBATED ON HOUSE FLOOR: On March 28, during House floor debate on the state's budget, the House approved a 3 percent pay increase for state employees.

The proposed budget now goes to the Senate for additional consideration.

FUNDING PROPOSAL FOR TRANSPORTATION INTRODUCED BY HOUSE

LEADER: On March 29, Rep. Neal St. Onge (R-Ellisville) chairman of the House Transportation Committee, held a press conference to announce his filing of legislation that could generate revenues for future transportation needs of the state.

Specifically, HB 1237 would raise more than \$4 billion over its six-year life. According to St. Onge, Missourians would benefit from several key programs:

- \$ 3.6 billion to rebuild I-70 across state with separate, dedicated truck lanes.
- \$49 million for public transportation
- \$42 million to upgrade the underdeveloped ports throughout Missouri
- \$584 million to be allocated via the state transportation formula.

The increased funding is generated by an increase in car and truck license fees, a gas tax increase of 4 cents per gallon, diesel tax increase of 6 cents per gallon, a 2 percent sales tax on all fuel sold and a one-half percent general sales tax increase. These increases would sunset in six (6) years.

“This is the first time in Missouri history that we have dedicated money to public transportation and our ports. By developing our ports so that they can receive containerized barges, Missouri can become the transportation hub of this nation,” said St. Onge. “This is a proposal that will enhance the state’s ability to create and support jobs and stimulate the economic growth we need.”

LEGISLATIVE MATRIX: Attached is Governmental Relations weekly update matrix, which shows some of the more important transportation bills that the department is tracking. If you should have any questions about these or any other pending legislative proposals, contact GR at 573.522.9284.

UPCOMING TRANSPORTATION EVENTS:

- March 15 to March 26 – Legislative Spring Break
- May 18 – Last day of the 2007 legislative session