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The GR Capitol Report

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APPROPRIATIONS' CHAIR LOOKS FOR WAYS TO RAISE REVENUES FOR STATE

OPERATIONS: Sen. Chuck Gross (R-St. Charles), chairman of the Senate Appropriations Committee, testified before the Senate Ways and Means Committee on Feb. 19 on a concept that he believes could free up additional revenues for the operation of state government. SB 222 and SB 455, otherwise known as “fund sweep bills”, would literally sweep unspent revenues from special dedicated accounts, on a regular basis, into the state’s general revenue fund to help offset expenditures of state services.

According to Sen. Gross, of the state’s approximately 20 billion dollar budget for 2007, only about 35 percent of those funds are actually general revenues that the legislature can use to appropriate to various state agencies for the public services they provide to Missouri taxpayers. The remaining 65 percent of the tax revenues are dedicated and cannot be used by the members of the general assembly to appropriate for other purposes than those set aside for a specific purpose.

Specifically, SB 222 requires the state treasurer to deposit all moneys received under any state fund or administratively created fund into the state general revenue fund from January 1st to June 30th of the current fiscal year if the state's net general revenue collections did not increase by two percent or more over the past fiscal year. If the state's net general revenues do increase by more than two percent, the state treasurer shall deposit such moneys into the statutorily or administratively created fund. The provisions of this act shall not apply to any fund created by the constitution, funds for the payment of interest and principal for any bonded indebtedness, funds that receive constitutionally created taxes and fees, and funds created in order to receive and disburse federal funds.

Senator Gross testified that if he received a lot of opposition to SB 222, then he suggested the committee look at SB 455. SB 455 requires the state treasurer to transfer the balance of any fund in excess of 200 percent of the previous fiscal year's expenditures into the state general revenue fund. This act applies to all state funds created by statute or administratively created by the office of administration. This act does not apply to certain constitutionally created funds, special trust funds created by statute, funds for the payment of bonded indebtedness, and funds created to receive federal funds. Further, this act does not apply to any fund that is subject to current fund sweeps. For any fund in which statutory limitations allow the fund to accumulate balances equal to or greater than 200 percent of the previous year's expenditures, the act shall apply to the extent necessary to transfer any balance in excess of 200 percent.

While there was no testimony for either of the two proposals, there was plenty of opposition to the concept of both bills because opponents believe dedicated funding is the one true way to

ensure some regulatory services are provided. For example, the private sector is willing to pay a little extra money to ensure permits are issued in a timely fashion; and if the private sector is willing to pay more, then the legislature should not appropriate those funds for another state service.

Persons opposed to SB 222 and SB 455 (to somewhat a lesser extent) were: Don Otto, Missouri Funeral Directors Association; Richard Marrs, Missouri Society of Professional Land Surveyors; Mary Pendleton, Missouri Council of the Blind; Randy Scherr, Mining Industry Council of Missouri, Missouri Manufactured Housing Association, Chemistry Council of Missouri, and Allied Waste; Carol Emy, Missouri Petroleum Storage Tank Insurance Fund; Sam Licklider, Missouri Association of Realtors; Terry Schapton, Partnership for Children; Tony Stafford, Missouri Ag Fund; Harry Otto; Missouri Society of Certified Public Accountants; and Mike Riley, Missouri State Fair Commission.

MoDOT opposes these bills because the multimodal operations of the department are primarily funded with general revenues, not constitutionally protected like the highway road program. The department's funding has been committed to projects over the next five years in the Statewide Transportation Improvement Program. Any decrease in funding will hamper the department's ability to fulfill its commitments.

The committee took no action on the bills.

SENATE PASSES BILLS ON TO THE HOUSE: On Feb. 19, the Senate passed two proposals that will now go to the House for additional review and debate.

SCS/SB 52 provides that the Missouri Highways and Transportation Commission is authorized to accept an annual bid bond for its construction and maintenance projects. The commission shall prescribe the form and content of an annual bid bond.

SCS/SB 232 designates a portion of Missouri Route 74/34 within Cape Girardeau County as the "John Oliver Jr. Parkway." The act also designates a portion of U.S. Highway 60 contained in Stoddard County as the "Sergeant Carl Dewayne Graham Jr. Memorial Highway". Costs for such designation shall be paid by the Missouri Troopers' Association.

MESSAGE PROPOSED TO BE SENT TO WASHINGTON: On Feb. 21, the House Special Committee on Job Creation and Economic Development heard public testimony on HCR 17, sponsored by Rep. Barney Fisher (R-Richards).

The House Resolution would urge the United States Department of Transportation to support the designation of U.S. Highway 71 in Missouri as a part of Interstate 49. The resolution would: 1) Recognize the Missouri I-49 Coalition as the official organization for this project in the State of Missouri; 2) Recognize the importance of I-49 to the State of Missouri; 3) Support the upgrading of U.S. Highway 71 to interstate standards; 4) Encourage the Missouri Department of Transportation to support conceptually the idea of an I-49 corridor; and 5) Encourage the Missouri Congressional Delegation to pursue federal funds to assist with this project.

Woody Cozad, Missouri I-49 Corridor, testified in favor of the proposal.

There was no opposition to the bill and the committee took no action.

MODOT PRESENTS BUDGET FOR FY 2008: On Feb. 20, MoDOT's Chief Financial Officer Roberta Broeker presented to the House Appropriations Committee the department's FY 2008 appropriations request. The FY 2008 request totals \$2.3 billion, which is a decrease of approximately 14 percent from the FY 2007 request. Ms. Broeker advised the committee that MoDOT's road and bridge appropriations request match the Governor's recommendations.

MoDOT's Multimodal Operations Director Brian Weiler was available to present the budget as it relates to Multimodal. Unlike the road and bridge appropriations request, Governor Blunt did not approve all requests. MoDOT requested an amount of \$9 million for the following purposes: \$1,025,000 to help rural transit meet their federal match dollars; \$4,775,000 to make up for the reduction of federal job access and reverse commute funds; \$800,000 to make up for loss of federal transit funds to Springfield; and \$2,400,000 to cover increased fuel costs to transit services in the state.

DISCUSSION KICKS OFF REGARDING NEED TO RECONSTRUCT INTERSTATES 70 AND 44: On Feb. 21, MoDOT's Chief Engineer Kevin Keith kicked off discussions with Senate Transportation Committee members regarding the need to rebuild Interstates 70 and 44. Keith advised the committee that the life of the underlying surface has long expired and traffic on these interstates continues to grow yearly, particularly truck traffic.

The Chief Engineer presented to the committee the concept of separate lanes for trucks and automobiles. Mr. Keith stated that revenues from a one-cent sales tax over a period of ten years would provide the necessary funding to rebuild I-70 and I-44.

Expanding upon Mr. Keith's presentation was Steve Wells of HNTB. Mr. Wells advised the committee that the advantage of separating trucks from automobiles in large corridors is safety, ability to haul heavier loads and ability for longer combination vehicles thus addressing the driver shortage in this country. Wells reported that funding solutions need to be considered now as costs continue to escalate. Wells encourages the use of public private partnerships.

Also addressing the concept and need for funding solutions was Ron McLinden, Sierra Club. McLinden advised the committee that global warming impacts the future of transportation and the future of the economy as fuel prices will continue to increase and policy changes are made with regard to emissions. McLinden advised the committee that transportation should be all encompassing and asked the committee to also address multimodal modes of transportation.

Senator Bill Stouffer (R-Napton), chair of the committee, announced to the committee members that he plans to hold a series of public forums – not to debate a specific funding concept for transportation – but to listen to the public's transportation needs and their ideas for raising future revenues for transportation.

SENATE COMMITTEE UNANIMOUSLY PASSES HIGHWAY NAMING PROPOSAL: On Feb. 21, the Senate Transportation Committee voted to pass SB 395 sponsored by Sen. Ryan McKenna (D-Crystal City). This bill proposes to name a portion of State Route M between Old Lemay Ferry Road and Moss Hollow Road in the City of Barnhart as the "Officer

Stephen Strehl Memorial Highway.” The companion bill in the House is HB 514 sponsored by Rep. Jeff Roorda (D-Barnhart).

The bill now goes to the Senate floor for debate.

MODOT TESTIFIES IN FAVOR OF TORT REFORM BILL: MoDOT’s Governmental Relations staff, Lisa Lemaster, testified on Feb. 21 before the House Insurance Policy Committee in favor of HB 121 sponsored by Rep. Bob Nance (R-Excelsior Springs). HB 121 would provide for liability limits on MoDOT employees similar to the limits placed on the agency. Money not paid on tort claims can be spent on road and bridge construction.

Substitute language was recommended by Rep. Nance to include certain ambulance service organization employees also be protected by the liability limits.

The committee took no action on the bill.

SEAT BELTS IN SCHOOL BUSES ON THE TABLE AGAIN THIS SESSION: On Feb. 20, the House Transportation Committee held a hearing on HB 110 sponsored by Rep. Tim Flook (R-Liberty). The bill provides that new buses purchased or buses manufactured after January 1, 2008, must be equipped with lap-shoulder safety belts or other federally approved restraint systems. The bill exempts the state and school districts from liability for non-use or misuse of the belt under certain conditions.

Testifying in support of HB 110 were Jeff Howell, Missouri State Medical Association and Brian Treece, Missouri-Kansas-Nebraska Conference of Teamsters, stating that seat belts in school busses would improve safety and discipline issues.

Opposition to the bill stated that seat belts in school buses would have unintended consequences such as decreased seating capacity requiring the need for additional busses and additional parking space. The opposition also expressed concern that the devices would not be a one size fits all.

Testifying in opposition to the bill were: Linda Thompson, Missouri Association of Pupil Transportation; John T. Davies, Independence Public Schools; Michael Rohman, Missouri School Boards’ Association; Otto Fajen, Missouri Educator’s Association; John Oldani, Cooperating School Districts of St. Louis; and Tom Rackers, Cooperating School Districts of Greater Kansas City.

The committee took no action on the bill.

RETIREMENT BILL ON THE MOVE: On Feb. 21, the Senate approved SB 401. This bill removes language that allowed members of the Missouri state employees' retirement system (MOSERS) and the Missouri department of transportation and highway patrol employees' retirement system (MPERS) to purchase prior creditable service for full-time compensated contract service.

The act also changes the service purchase provisions in order to be consistent with current practice for purchases of military service, by providing that the salary and contribution rates are

determined when a member is initially covered by MPERS or MOSERS. The proposal also adds language to prohibit receiving duplicate credit for purchased service in more than one retirement system for the same period of service.

The bill now goes to the House for additional review and debate.

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