

I am a former employee of the Kansas Turnpike Authority (1974-1980). I take great pride in the road and what it contributes to the State of Kansas. I had concerns about the merger proposed by Governor Brownback to put the turnpike and the KS Department of Transportation together. I find it hard to believe that they could find their proposed \$15 million per year savings. In fact, the secretary of transportation admitted as much in the preliminary hearing when he stated to the Appropriations Committee that they didn't have any numbers to support their figure, but would go find them if the committee would give them permission to merge.

I remained philosophically opposed to the merger as the Turnpike is completely self-sustaining and does not cost the state of Kansas anything to run. But after reading the proposed bill, I'm alarmed at the cavalier effort they Governor's office is taking. I think the effort needs a brighter light shone on it due to the potential it has for all of Kansas.

What stands out immediately upon reading the language of the proposed bill (H.B. 2234) is the repeal of nearly 80 sections of Chapter 68 of the Kansas Statutes that authorize the existence of the turnpike, establish the basis for selling bonds, defining the bonds as tax exempt, defining the remedies for bond defaults, etc. What is inserted in the new law is a sentence at the end of a paragraph that states that:

"....The integrity of the bonded indebtedness shall be maintained through the actions of the authority." (last sentence of new K.S.A. 68-2021 (b))

How is the turnpike authority going to maintain the integrity of the bonds if all of the legal authority for the bonds to exist has been repealed?

There is already legislation that provides for merging the turnpike into the KS Department of Transportation. It is found in K.S.A. 68-20,108. It says that when the bonds are paid off, OR IF THE STATE ESTABLISHES A TRUST FUND TO GUARANTEE THE BONDS, KS DOT can take over the turnpike. Governor Brownback's proposal is to ignore the law, ignore the current bondholders by erasing current laws and to take over the turnpike without any guarantee for the bondholders.

Governor Sebelius proposed legislation in 2007 to add to the existing tolls to rob funds from turnpike users to pay for infrastructure repairs on the university campuses. Her proposal was soundly defeated before it made it to hearings because she was up front about what she wanted to do. Governor Brownback has repackaged the idea in new clothes and is selling the proposal as a way to save money in order to gain control over the \$87 million dollars in the Turnpike Authority bank account they have in reserve to manage the road and their bond indebtedness. What savings there might be could be accomplished without the law through cooperation of the agencies now. The 5 member Turnpike Authority board has the Secretary of Transportation as one, the chair of the senate transportation committee as one and a member of the house transportation committee as the third. Those three would carry enough votes to make any necessary changes that would save money.

Whether or not the merger is a good or bad thing, the method is likely to create litigation to block the governor's efforts is naïve. It will likely invite litigation from the bondholders.

The above are my sole opinion and I have no benefit whether the two agencies merge or not. I'm concerned that one of the crown jewels of our state is being treated so lightly.

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