

House Budget Committee Report

Agency: Kansas Department of Transportation

Bill No. HB 2370

Bill Sec. 143

Analyst: Klaassen

Analysis Pg. No. 799

Budget Page No. 418

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	620,421,389	615,867,845	0
Subtotal	<u>\$ 620,421,389</u>	<u>\$ 615,867,845</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	965,063,516	923,363,073	0
Subtotal	<u>\$ 965,063,516</u>	<u>\$ 923,363,073</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 1,585,484,905</u></u>	<u><u>\$ 1,539,230,918</u></u>	<u><u>\$ 0</u></u>
FTE positions	2,139.5	2,139.5	0.0
Non FTE Uncl. Perm. Pos.	598.0	598.0	0.0
TOTAL	<u><u>2,737.5</u></u>	<u><u>2,737.5</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests a FY 2017 reportable budget of \$1.6 billion, all from special revenue funds, a decrease of \$27.1 million, or 1.7 percent, below the FY 2016 request. The agency's FY 2017 budget reflects this being the 7th year of the T-WORKS program and the continuation of current and planned project expenditures, and reflects the agency's best estimate as to project expenditure schedules.

The FY 2017 request includes operating expenditures totaling \$620.4 million, which is a decrease of \$4.6 million, or 0.7 percent, below the FY 2016 requested reportable operating budget. The FY 2017 request includes salaries and wages expenditures totaling \$166.5 million, which is an increase of \$7.0 million, or 4.4 percent, above the FY 2016 request. The agency states that the FY 2017 budget reflects a number of operating increases made to reflect increases for employee fringe benefits, Office of Information Technology Services expenditures, and the 27 payroll period which occurs in that fiscal year. The FY 2017 request includes 2,139.5 FTE and 598.0 non-FTE positions, which is no change from the FY 2016 request.

The agency's budget submission notes Federal and Local Aid reimbursement estimates within the FY 2017 request totaling \$337.3 million. This is a decrease of \$19.0 million, or 5.3 percent, below the FY 2016 request.

Governor's Recommendation

The **Governor** recommends FY 2017 reportable operating expenditures totaling \$1.5 billion, all from special revenue funds, which is a decrease of \$46.3 million, or 2.9 percent, below the agency's FY 2017 request. The difference from the agency's FY 2017 request is due to the following recommended adjustments: 1) a reduction of \$1,820,706 to reduce employer contributions for state employee health insurance, 2) \$30.0 million in budget reductions, 3) \$13.8 million for a 5.0 percent allotment to expenditures, 4) a reduction of \$1.7 million in buildings projects from the agency's FY 2017 request. The Governor's recommendation also includes an increase of \$1.0 million to FY 2017 State Highway Fund revenues estimated by the November 2014 Highway Consensus Revenue Estimating group.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2017.

House Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendation for FY 2017 with the following adjustment:

1. Delete the \$3.0 million transfer from the State Highway Fund to the Department of Commerce for affordable airfares for FY 2017.

Senate Subcommittee Report

Agency: Kansas Department of Transportation

Bill No. SB 237

Bill Sec. 143

Analyst: Klaassen

Analysis Pg. No. 799

Budget Page No. 418

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	620,421,389	615,867,845	0
Subtotal	\$ 620,421,389	\$ 615,867,845	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	965,063,516	923,363,073	0
Subtotal	\$ 965,063,516	\$ 923,363,073	\$ 0
TOTAL	\$ 1,585,484,905	\$ 1,539,230,918	\$ 0
FTE positions	2,139.5	2,139.5	0.0
Non FTE Uncl. Perm. Pos.	598.0	598.0	0.0
TOTAL	2,737.5	2,737.5	0.0

Agency Request

The **agency** requests a FY 2017 reportable budget of \$1.6 billion, all from special revenue funds, a decrease of \$27.1 million, or 1.7 percent, below the FY 2016 request. The agency's FY 2017 budget reflects this being the 7th year of the T-WORKS program and the continuation of current and planned project expenditures, and reflects the agency's best estimate as to project expenditure schedules.

The FY 2017 request includes operating expenditures totaling \$620.4 million, which is a decrease of \$4.6 million, or 0.7 percent, below the FY 2016 requested reportable operating budget. The FY 2017 request includes salaries and wages expenditures totaling \$166.5 million, which is an increase of \$7.0 million, or 4.4 percent, above the FY 2016 request. The agency states that the FY 2017 budget reflects a number of operating increases made to reflect increases for employee fringe benefits, Office of Information Technology Services expenditures, and the 27 payroll period which occurs in that fiscal year. The FY 2017 request includes 2,139.5 FTE and 598.0 non-FTE positions, which is no change from the FY 2016 request.

The agency's budget submission notes Federal and Local Aid reimbursement estimates within the FY 2017 request totaling \$337.3 million. This is a decrease of \$19.0 million, or 5.3 percent, below the FY 2016 request.

Governor's Recommendation

The **Governor** recommends FY 2017 reportable operating expenditures totaling \$1.5 billion, all from special revenue funds, which is a decrease of \$46.3 million, or 2.9 percent, below the agency's FY 2017 request. The difference from the agency's FY 2017 request is due to the following recommended adjustments: 1) a reduction of \$1,820,706 to reduce employer contributions for state employee health insurance, 2) \$30.0 million in budget reductions, 3) \$13.8 million for a 5.0 percent allotment to expenditures, 4) a reduction of \$1.7 million in buildings projects from the agency's FY 2017 request. The Governor's recommendation also includes an increase of \$1.0 million to FY 2017 State Highway Fund revenues estimated by the November 2014 Highway Consensus Revenue Estimating group.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation for FY 2017.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee's recommendation for FY 2017.

Senate Committee of the Whole Recommendation

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2017.

Conference Committee Recommendation (House Sub. for SB 112)

The **Conference Committee** concurs with the Governor's Recommendation for FY 2017 with the following adjustments:

1. Delete \$2.9 million, all from special revenue funds, to reduce the Kansas Public Employees Retirement System employer contribution rate from 13.57 percent to 10.81 percent for FY 2017. This implements the provisions of SB 228.
2. Delete \$334,729, all from special revenue funds, to suspend employer contributions to the Kansas Public Employees Retirement System Group Insurance Fund, or Death and Disability Fund, for the final seven pay periods for FY 2017.
3. Add language to prohibit expenditures on newspapers and magazines, including electronic subscriptions, for FY 2017.

	Governor's Recommendation FY 2017	Legislative Action	Legislative Approved FY 2017	Governor's Vetoed FY 2017	Final Legislative Approved FY 2017
All Funds					
State Operations	\$ 401,522,264	\$ (3,220,716)	\$ 398,301,548	\$ 0	\$ 398,301,548
Aid to Local Units	190,946,785	0	190,946,785	0	190,946,785
Other Assistance	23,398,796	0	23,398,796	0	23,398,796
Subtotal- Operations	\$ 615,867,845	\$ (3,220,716)	\$ 612,647,129	\$ 0	\$ 612,647,129
Capital Improvements	923,363,073	0	923,363,073	0	923,363,073
TOTAL	<u>\$ 1,539,230,918</u>	<u>\$ (3,220,716)</u>	<u>\$ 1,536,010,202</u>	<u>\$ 0</u>	<u>\$ 1,536,010,202</u>

State General Fund

State Operations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
Subtotal-Operating	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 0</u>				

FTE Positions	2,139.5	0.0	2,139.5	0.0	2,139.5
Non-FTE Unclass. Perm. Pos.	598.0	0.0	598.0	0.0	598.0
TOTAL	<u>2,737.5</u>	<u>0.0</u>	<u>2,737.5</u>	<u>0.0</u>	<u>2,737.5</u>