House Budget Committee Report

Agency: Kansas Department of Transportation | **Bill No.** House Sub for SB 161 | **Bill Sec.** 92

Analyst: Klaassen | **Analysis Pg. No.** 1445 | **Budget Page No.** 416

Expenditure Summary	Agency Estimate FY 2016	Governor Recommendation FY 2016	House Adjustments
Operating Expenditures:			
State General Fund	$ 0	$ 0	$ 0
Other Funds	629,527,432	640,580,759	0
Subtotal	$ 629,527,432	$ 640,580,759	$ 0
Capital Improvements:			
State General Fund	$ 0	$ 0	$ 0
Other Funds	590,469,257	490,469,257	0
Subtotal	$ 590,469,257	$ 490,469,257	$ 0
TOTAL	$ 1,219,996,689	$ 1,131,050,016	$ 0
FTE positions	1,899.0	1,899.0	0.0
Non FTE Uncl. Perm. Pos.	616.6	616.6	0.0
TOTAL	2,515.6	2,515.6	0.0

Agency Estimate

The **agency's** revised reportable estimate for FY 2016 totals $1.2 billion, all from special revenue funds, which is an increase of $115.9 million, or 10.5 percent, above the FY 2016 approved amount. The agency notes that the increase is largely due to ongoing projects that were delayed from FY 2015 into FY 2016. The agency states that this is the 6th year of the T-WORKS program, and that fluctuations in its funding request are due to its best estimate at a given point in time as to projects being let or added, projects being pushed forward into FY 2016, cost savings or leftover preservation funds being spent, and subsequent funding streams for these projects. The agency's originally submitted budget included the issuance of an additional $300.0 million for the T-WORKS Program in FY 2016.

Changes from the FY 2016 approved budget include the following adjustments:

- $110.8 million increase in revised estimated State Highway Fund projects expenditures moved/added/continued into FY 2016;
- $5.7 million reduction to revise debt service expenditures in FY 2016;
- $10.1 million in additional special revenue fund receipt expenditures in FY 2016; and

- $700,000 in additional federal funds receipts and expenditures from the National Highway Traffic Safety Administration (NHTSA) in FY 2016.

The FY 2016 revised estimate includes salaries and wages expenditures totaling $142.6 million, which is no change from the FY 2016 approved amount. Salaries and wages in the FY 2016 revised reportable estimate support 1,899.0 FTE positions, which is a decrease of 240.5 FTE positions from the number approved by the 2015 Legislature, but also includes an increase of 18.6 non-FTE positions. The agency states that the decrease in FTE positions is the result of a thorough review process to determine if all vacant positions were critical, or whether the positions duties could be redistributed and/or outsourced, and these were vacant FTE positions that were deleted from the system. The agency states that the increase in non-FTE positions is due to the agency allowing several different classifications within the agency to go unclassified, which attributes for the increase in non-FTE positions.

The agency's FY 2016 revised estimate includes Federal and Local Aid reimbursement estimates totaling $356.2 million. This is an increase of $29.2 million, or 8.9 percent, above the FY 2015 estimate.

Governor' s Recommendation

The **Governor** recommends FY 2016 operating expenditures totaling $1.1 billion, all from special revenue funds, which is a decrease of $88.9 million, or 7.3 percent, below the agency's FY 2016 revised estimate. The difference from the agency's FY 2016 revised estimate is due to the following adjustments included within the Governor's Recommendation:

- Adjustments related to the agency's December issuance of $400.0 million in bonds ($100.0 million above revised budget submission);
    - A decrease of $100.0 million, all from the State Highway Fund, to adjust expenditures for the additional amount issued in bonds**;**
    - An increase of $10.3 million, all from special revenue funds, to reflect additional debt service interest expenditures in FY 2016; and
- The addition of $741,687, all from the Special City and County Highway Fund, in order to reflect the most recent estimated revenues and expenditures by the November 2015 Highway Consensus Revenue Estimating group in FY 2016.

The Governor announced a FY 2016 transfer of $2.1 million, from the State Highway Fund to the State General Fund, would be included within a 2016 Rescission Bill to be introduced during the 2016 Session.

House Action

There was no budgetary action taken during the budget committee meetings. The House Appropriations Committee and House Committee of the Whole concurred with the Governor's Recommendation with no adjustments.

Senate Subcommittee Report

Agency: Kansas Department of Transportation | **Bill No.** Senate Sub. HB 2365 | **Bill Sec.** 92

Analyst: Klaassen | **Analysis Pg. No.** 1445 | **Budget Page No.** 416

Expenditure Summary	Agency Estimate FY 2016	Governor Recommendation FY 2016	Senate Adjustments
Operating Expenditures:			
State General Fund	$ 0	$ 0	$ 0
Other Funds	629,527,432	640,580,759	0
Subtotal	$ 629,527,432	$ 640,580,759	$ 0
Capital Improvements:			
State General Fund	$ 0	$ 0	$ 0
Other Funds	590,469,257	490,469,257	0
Subtotal	$ 590,469,257	$ 490,469,257	$ 0
TOTAL	$ 1,219,996,689	$ 1,131,050,016	$ 0
FTE positions	1,899.0	1,899.0	0.0
Non FTE Uncl. Perm. Pos.	616.6	616.6	0.0
TOTAL	2,515.6	2,515.6	0.0

Agency Estimate

The **agency's** revised reportable estimate for FY 2016 totals $1.2 billion, all from special revenue funds, which is an increase of $115.9 million, or 10.5 percent, above the FY 2016 approved amount. The agency notes that the increase is largely due to ongoing projects that were delayed from FY 2015 into FY 2016. The agency states that this is the 6th year of the T-WORKS program, and that fluctuations in its funding request are due to its best estimate at a given point in time as to projects being let or added, projects being pushed forward into FY 2016, cost savings or leftover preservation funds being spent, and subsequent funding streams for these projects. The agency's originally submitted budget included the issuance of an additional $300.0 million for the T-WORKS Program in FY 2016.

Changes from the FY 2016 approved budget include the following adjustments:

- $110.8 million increase in revised estimated State Highway Fund projects expenditures moved/added/continued into FY 2016;

- $5.7 million reduction to revise debt service expenditures in FY 2016;

- $10.1 million in additional special revenue fund receipt expenditures in FY 2016; and

- $700,000 in additional federal funds receipts and expenditures from the National Highway Traffic Safety Administration (NHTSA) in FY 2016.

The FY 2016 revised estimate includes salaries and wages expenditures totaling $142.6 million, which is no change from the FY 2016 approved amount. Salaries and wages in the FY 2016 revised reportable estimate support 1,899.0 FTE positions, which is a decrease of 240.5 FTE positions from the number approved by the 2015 Legislature, but also includes an increase of 18.6 non-FTE positions. The agency states that the decrease in FTE positions is the result of a thorough review process to determine if all vacant positions were critical, or whether the positions duties could be redistributed and/or outsourced, and these were vacant FTE positions that were deleted from the system. The agency states that the increase in non-FTE positions is due to the agency allowing several different classifications within the agency to go unclassified, which attributes for the increase in non-FTE positions.

The agency's FY 2016 revised estimate includes Federal and Local Aid reimbursement estimates totaling $356.2 million. This is an increase of $29.2 million, or 8.9 percent, above the FY 2015 estimate.

Governor' s Recommendation

The **Governor** recommends FY 2016 operating expenditures totaling $1.1 billion, all from special revenue funds, which is a decrease of $88.9 million, or 7.3 percent, below the agency's FY 2016 revised estimate. The difference from the agency's FY 2016 revised estimate is due to the following adjustments included within the Governor's Recommendation:

- Adjustments related to the agency's December issuance of $400.0 million in bonds ($100.0 million above revised budget submission);

    - A decrease of $100.0 million, all from the State Highway Fund, to adjust expenditures for the additional amount issued in bonds;
    - An increase of $10.3 million, all from special revenue funds, to reflect additional debt service interest expenditures in FY 2016; and

- The addition of $741,687, all from the Special City and County Highway Fund, in order to reflect the most recent estimated revenues and expenditures by the November 2015 Highway Consensus Revenue Estimating group in FY 2016.

The Governor announced a FY 2016 transfer of $2.1 million, from the State Highway Fund to the State General Fund, would be included within a 2016 Rescission Bill to be introduced during the 2016 Session.

Senate Action

There was no budgetary action taken during the subcommittee meetings. The Senate Ways and Means Committee and Senate Committee of the Whole on Senate Sub. for HB 2365 concurred with the Governor's Recommendation with the following adjustment:

1. Add language to reinstate the cap on debt service on the State Highway Fund, and set the cap to 18.0 percent in FY 2016 and for future fiscal years (Floor amendment).

Conference Action House Sub. for SB 161 and House Sub. for SB 249

The Conference Committee concurred with the Governor's Recommendation.

	Governor's Recommendation FY 2016	Legislative Action	Legislative Approved FY 2016	Governor's Vetoes FY 2016	Final Legislative Approved FY 2016
All Funds					
State Operations	$ 408,408,606	$ 0	$ 408,408,606	$ 0	$ 408,408,606
Aid to Local Units	204,107,012	0	204,107,012	0	204,107,012
Other Assistance	28,065,141	0	28,065,141	0	28,065,141
Subtotal- Operations	$ 640,580,759	$ 0	$ 640,580,759	$ 0	$ 640,580,759
Capital Improvements	490,469,257	0	490,469,257	0	490,469,257
TOTAL	$ 1,131,050,016	$ 0	$ 1,131,050,016	$ 0	$ 1,131,050,016
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	$ 0	$ 0	$ 0	$ 0	$ 0
FTE Positions	1,899.0	0.0	1,899.0	0.0	1,899.0
Non-FTE Unclass. Perm. Pos.	616.6	0.0	616.6	0.0	616.6
TOTAL	2,515.6	0.0	2,515.6	0.0	2,515.6