

House Budget Committee Report

Agency: Kansas Department of Transportation

Bill No. House Sub for SB 161

Bill Sec. 93

Analyst: Klaassen

Analysis Pg. No. 1445

Budget Page No. 416

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017*	House Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	617,538,062	626,603,350	0
Subtotal	<u>\$ 617,538,062</u>	<u>\$ 626,603,350</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds*	1,023,585,507	729,636,779	0
Subtotal	<u>\$ 1,023,585,507</u>	<u>\$ 729,636,779</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 1,641,123,569</u></u>	<u><u>\$ 1,356,240,129</u></u>	<u><u>\$ 0</u></u>
FTE positions	1,899.0	1,899.0	0.0
Non FTE Uncl. Perm. Pos.	616.6	616.6	0.0
TOTAL	<u><u>2,515.6</u></u>	<u><u>2,515.6</u></u>	<u><u>0.0</u></u>

* NOTE: Reflects State Highway Fund project reduction option(s) to suspend/delay projects totaling \$294.5 million in order to allow for SGF transfers of \$70 million in FY 2016, and \$115 million for FY 2017.

Agency Request

The **agency** requests a revised FY 2017 estimate totaling \$1.6 billion, all from special revenue funds, an increase of \$105.1 million, or 6.8 percent, above the FY 2017 approved amount. The agency's FY 2017 budget reflects this being the 7th 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 2017, cost savings or leftover preservation funds being spent, and subsequent funding streams for these projects.

Changes from the FY 2017 approved budget include the following adjustments:

- \$101.1 million increase in revised estimated State Highway Fund projects expenditures moved/added/continued into FY 2017;
- \$595,973 in additional debt service expenditures;
- \$1.1 million in additional special revenue fund receipt expenditures;
- \$900,000 in additional federal funds receipts and expenditures from the National Highway Traffic Safety Administration (NHTSA); and

- \$1.4 million, all from the State Highway Fund, to relocate the Concordia Subarea.

The revised FY 2017 request includes 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 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 2017 revised estimate includes Federal and Local Aid reimbursement estimates totaling \$337.3 million. This is an decrease of \$19.0 million, or 5.3 percent, below the FY 2016 revised estimate.

Governor's Recommendation

The **Governor** recommends FY 2017 operating expenditures totaling \$1.65 billion, all from special revenue funds, which is a increase of \$9.7 million, or 0.6 percent, above the agency's FY 2017 revised estimate. The difference from the agency's FY 2017 revised estimate is due to the following adjustments included within the Governor's Recommendation:

- An increase of \$8.3 million, all from special revenue funds, to reflect additional debt service interest expenditures for FY 2017;
- The addition of \$753,648, 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 for FY 2017;
- The addition of \$593,300, all from the State Highway Fund, to the agency's supplemental request to relocate the Concordia Subarea. This amount incorporates the most recent cost estimates to allow for co-location of Highway Patrol and other site expenditures for FY 2017; and
- The transfer of \$25.0 million from the State Highway Fund to the State General Fund as part of: 1) \$10.0 million in projected savings to occur as part of efficiency study recommendations, and 2) \$15.0 million from the leasing of excess bandwidth on KDOT's communications system.

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 the following adjustment:

1. Add language to reinstate the cap on debt service on the State Highway Fund, and set the cap to 19.0 percent for FY 2017.
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Senate Subcommittee Report

Agency: Kansas Department of Transportation

Bill No. Senate Sub. HB 2365

Bill Sec. 93

Analyst: Klaassen

Analysis Pg. No. 1445

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Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017*	Senate Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	617,538,062	626,603,350	0
Subtotal	\$ 617,538,062	\$ 626,603,350	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,023,585,507	1,024,178,807	0
Subtotal	\$ 1,023,585,507	\$ 1,024,178,807	\$ 0
TOTAL	\$ 1,641,123,569	\$ 1,650,782,157	\$ 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

* NOTE: Reflects State Highway Fund project reduction option(s) to suspend/delay projects totaling \$294.5 million in order to allow for SGF transfers of \$70 million in FY 2016, and \$115 million for FY 2017.

Agency Request

The **agency** requests a revised FY 2017 estimate totaling \$1.6 billion, all from special revenue funds, an increase of \$105.1 million, or 6.8 percent, above the FY 2017 approved amount. The agency's FY 2017 budget reflects this being the 7th 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 2017, cost savings or leftover preservation funds being spent, and subsequent funding streams for these projects.

Changes from the FY 2017 approved budget include the following adjustments:

- \$101.1 million increase in revised estimated State Highway Fund projects expenditures moved/added/continued into FY 2017;
- \$595,973 in additional debt service expenditures;
- \$1.1 million in additional special revenue fund receipt expenditures;

- \$900,000 in additional federal funds receipts and expenditures from the National Highway Traffic Safety Administration (NHTSA); and
- \$1.4 million, all from the State Highway Fund, to relocate the Concordia Subarea.

The revised FY 2017 request includes 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 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 2017 revised estimate includes Federal and Local Aid reimbursement estimates totaling \$337.3 million. This is an decrease of \$19.0 million, or 5.3 percent, below the FY 2016 revised estimate.

Governor's Recommendation

The **Governor** recommends FY 2017 operating expenditures totaling \$1.65 billion, all from special revenue funds, which is a increase of \$9.7 million, or 0.6 percent, above the agency's FY 2017 revised estimate. The difference from the agency's FY 2017 revised estimate is due to the following adjustments included within the Governor's Recommendation:

- An increase of \$8.3 million, all from special revenue funds, to reflect additional debt service interest expenditures for FY 2017;
- The addition of \$753,648, 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 for FY 2017;
- The addition of \$593,300, all from the State Highway Fund, to the agency's supplemental request to relocate the Concordia Subarea. This amount incorporates the most recent cost estimates to allow for co-location of Highway Patrol and other site expenditures for FY 2017; and
- The transfer of \$25.0 million from the State Highway Fund to the State General Fund as part of: 1) \$10.0 million in projected savings to occur as part of efficiency study recommendations, and 2) \$15.0 million from the leasing of excess bandwidth on KDOT's communications system.

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:

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

The Conference Committee concurred with the Governor's Recommendation with the following adjustments:

1. Add \$70,000, all from the State Highway Fund, for the DUI memorial signage program (2016 SB 245) for FY 2017. (House Sub. for SB 249)
2. Add \$19,300, all from the State Highway Fund, for four memorial signage designations as part of 2016 HB 2610 for FY 2017. (House Sub. for SB 249)
3. Delete \$773,276, all from special revenue funds, to eliminate the remaining three quarters of Death and Disability payments for FY 2017. (House Sub. for SB 161)
4. Add language directing certain duties for the Director of Unmanned Aircraft Systems (UAS) for FY 2017. (House Sub. for SB 249)
5. Add language to reinstate the cap on debt service on the State Highway Fund, and set the cap to 19.0 percent for FY 2017. (House Sub. for SB 161)

	Governor's Recommendation FY 2017*	Legislative Action	Legislative Approved FY 2017	Governor's Veto FY 2017	Final Legislative Approved FY 2017
All Funds					
State Operations	\$ 405,387,923	\$ (683,976)	\$ 404,703,947	\$ 0	\$ 404,703,947
Aid to Local Units	196,660,598	0	196,660,598	0	196,660,598
Other Assistance	24,554,829	0	24,554,829	0	24,554,829
Subtotal- Operations	\$ 626,603,350	\$ (683,976)	\$ 625,919,374	\$ 0	\$ 625,919,374
Capital Improvements	729,636,779	0	729,636,779	0	729,636,779
TOTAL	\$ 1,356,240,129	\$ (683,976)	\$ 1,355,556,153	\$ 0	\$ 1,355,556,153

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

* NOTE: Reflects State Highway Fund project reduction option(s) to suspend/delay projects totaling \$294.5 million in order to allow for SGF transfers of \$70 million in FY 2016, and \$115 million for FY 2017.