

## Kansas Department of Transportation

Expenditure	Actual FY 2015	Approved FY 2016	Approved FY 2017*
<b>All Funds:</b>			
State Operations	\$ 387,604,617	\$ 408,408,606	\$ 404,703,947
Aid to Local Units	203,507,999	204,107,012	196,660,598
Other Assistance	20,467,601	28,065,141	24,554,829
<i>Subtotal - Operating</i>	<u>\$ 611,580,217</u>	<u>\$ 640,580,759</u>	<u>\$ 625,919,374</u>
Capital Improvements	544,070,331	490,469,257	729,636,779
<b>TOTAL</b>	<u><u>\$ 1,155,650,548</u></u>	<u><u>\$ 1,131,050,016</u></u>	<u><u>\$ 1,355,556,153</u></u>
<b>State General Fund:</b>			
State Operations	\$ -	\$ -	\$ -
Aid to Local Units	-	-	-
Other Assistance	-	-	-
<i>Subtotal - Operating</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Improvements	-	-	-
<b>TOTAL</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Percent Change:</b>			
Operating Expenditures			
All Funds	(4.9)%	4.7 %	(2.3)%
State General Fund	-	-	-
FTE Positions	2,139.5	1,899.0	1,899.0
Non-FTE Unclass. Perm. Pos.	598.0	616.6	616.6
<b>TOTAL</b>	<u><u>2,737.5</u></u>	<u><u>2,515.6</u></u>	<u><u>2,515.6</u></u>

\* NOTE the FY 2017 expenditures reflect capital improvements expenditure reductions totaling \$294.5 million to suspend or delay FY 2017 projects in order to allow for the following transfers recommended as part of the Governor's May 18<sup>th</sup>, 2016 allotment: 1) \$70.0 million transferred from the State Highway Fund to the State General Fund in FY 2016, and 2) \$115.0 million transferred from the State Highway Fund to the State General Fund for FY 2017.

The total approved budget for the Kansas Department of Transportation in FY 2016 totals \$1.1 billion, which is a decrease of \$24.6 million, or 2.1 percent, all from special revenue funds, below the 2015 actual budget. This decrease is related to significant T-WORKS program expenditures made in prior years, as well as recommended and approved reductions to FY 2016 project lettings and agency operations in order to achieve current year savings (\$187.3 million). The agency's budget includes the December 2015 par value bond issuance of \$400.0 million. The FY 2016 budget is the 6th year of the T-WORKS Program, and 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 a corresponding increase of 18.6 in non-FTE positions. The agency stated 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 stated that the increase in non-FTE positions was due to the agency allowance of several different classifications within the agency to go unclassified, which attributes for the increase in non-FTE positions.

The approved budget for FY 2016 includes transfers from the State Highway Fund to the State General Fund totaling \$257.3 million. This amount includes the following transfers to the State General Fund: 1) \$129.3 million transferred as part of 2015 House Sub. for SB 112; 2) \$8.0 million transferred, noted as operational efficiencies savings included in the July 30, 2015, "FY 2016 SGF Expenditure Reduction and Fund Transfer Plan;" 3) \$47.9 million was transferred from the State Highway Fund in November 6, 2015 (FY 2016 transfers labeled "2)"&"3)" were made as part of special allotment authority granted in 2015 Senate Sub. for HB 2135); 4) 2016 House Sub. for SB 161 transferred an additional \$2.1 million from the State Highway Fund in FY 2016; and 5) \$70.0 million transferred from the State Highway Fund to the State General Fund, as part of the Governor's March 18, 2016 allotment utilizing Special Allotment Authority prescribed in House Sub. for SB 161 (savings generated as part of the suspension and delay of \$294.5 million of FY 2017 projects).

The approved budget for the Kansas Department of Transportation for FY 2017 totals \$1.4 billion, a decrease of \$224.5 million, or 19.9 percent, all from special revenue funds, below the FY 2016 approved budget. This decrease is primarily related to reductions to project expenditures totaling \$294.5 million and employer contributions to state employee health insurance of \$773,276. Reductions were approved for project expenditures to achieve savings for FY 2016 and FY 2017 transfers. The agency anticipates letting projects delayed as part of expenditure reductions as revenues allow. The

approved budget includes 1,899. FTE positions, which is no change from the FY 2016 approved budget. Legislative actions affecting the FY 2017 budget include: 1) reinstatement of the cap on debt service to State Highway Fund revenues and establishing that cap at 19.0 percent for FY 2017, which then lowers to 18.0 percent in subsequent fiscal years; 2) addition of language directing certain duties for the Director of Unmanned Aircraft Systems within the agency for FY 2017; and 3) addition of \$89,300, all from the State Highway Fund, to provide for the expenditure of gifts, grants, and donations received for FY 2017 for designations and commemorations made in the following enacted bills:

**2016 House Sub. for SB 245** creates the DUI memorial signage program and the Legislature added \$70,000, all from the State Highway Fund, for expenditures related to the administration and operation of this program for FY 2017.

**2016 HB 2610** added \$19,300 for four memorial signage designations for FY 2017. These FY 2017 designations included: the Chief Warrant Officer 5 David Carter Fallen Veterans Memorial Interchange; the John Troy, Pete Hughes, and Earl Seifert Highway; the Captain Chris Norgren Memorial Interchange; and the SGT Lavern W. Tegtmeier Memorial Highway.

The approved FY 2017 budget includes transfers from the State Highway Fund to the State General Fund totaling \$275.8 million. This amount includes the following transfers: 1) \$130.8 million transferred to the State General Fund as part of 2015 House Sub. for SB 112; 2) an additional \$25.0 million transferred from the State Highway Fund to the State General Fund as part of 2016 House Sub. for SB 161 (this additional amount is part of two items of projected savings from A&M efficiency study recommendations which include: a) \$10.0 million in projected savings generated from various efficiency study recommendations; and b) \$15.0 million from the leasing of excess bandwidth on KDOT 's communications system); 3) \$115.0 million transferred from the State Highway Fund to the State General Fund, as part of the Governor's March 18, 2016 allotment utilizing Special Allotment Authority prescribed in 2016 House Sub. for SB 161 (Savings generated as part of the suspension and delay of \$294.5 million in FY 2017 projects); and 4) action taken during the 2016 Special Session transferred an additional \$5.0 million, all from the State Highway Fund to the School District Extraordinary Need Fund for FY 2017. The State Highway Fund will still receive approximately \$4.2 million from the vehicle modernization surcharge for FY 2017.

## Kansas Department of Transportation

	FY 2016			FY 2017		
	SGF	All Funds	FTE	SGF	All Funds	FTE
<b>Agency Estimate/Request</b>	\$ -	\$ 1,219,996,689	1,899.0	\$ -	\$ 1,641,123,569	1,899.0
<b>Governor's Changes:</b>						
1. Bond Issuance Debt Service Adjustment	\$ -	\$ 10,311,640	-	\$ -	\$ 8,311,640	-
2. Bond Issuance Expenditures Adjustment	-	(100,000,000)	-	-	-	-
3. CRE Adjustment - Special City County Fund Expenditures	-	741,687	-	-	753,648	-
4. Concordia Subarea Enhancement	-	-	-	-	593,300	-
5. Governor's May 18, 2016 Allotment	-	-	-	-	(294,542,028)	-
<b>Total Governor's Recommendation</b>	<b>\$ -</b>	<b>\$ 1,131,050,016</b>	<b>1,899.0</b>	<b>\$ -</b>	<b>\$ 1,356,240,129</b>	<b>1,899.0</b>
Change from Agency Est.	\$ 0	\$ (88,946,673)	0.0	\$ 0	\$ (284,883,440)	0.0
Percent Change from Agency Est.	0.0 %	(7.3)%	0.0 %	0.0 %	(17.4)%	0.0 %
<b>Legislative Action:</b>						
6. 2016 House Sub. for SB 245	\$ -	\$ -	-	\$ -	\$ 70,000	-
7. 2016 HB 2610	-	-	-	-	19,300	-
8. KPERS Death and Disability Reduction	-	-	-	-	(773,276)	-
9. Director of UAS Responsibilities	-	-	-	-	-	-
10. Debt Service to State Highway Fund Revenues Cap	-	-	-	-	-	-
11. Vehicle Modernization Surcharge Transfer	-	-	-	-	-	-
<b>TOTAL APPROVED</b>	<b>\$ 0</b>	<b>\$ 1,131,050,016</b>	<b>1,899.0</b>	<b>\$ 0</b>	<b>\$ 1,355,556,153</b>	<b>1,899.0</b>
Change from Gov. Rec.	\$ 0	\$ 0	0.0	\$ 0	\$ (683,976)	0.0
Percent Change from Gov. Rec.	0.0 %	0.0 %	0.0 %	0.0 %	(0.1)%	0.0 %
Change from Agency Est.	\$ 0	\$ (88,946,673)	0.0	\$ 0	\$ (285,567,416)	0.0
Percent Change from Agency Est.	0.0 %	(7.3)%	0.0 %	0.0 %	(17.4)%	0.0 %

1. The Governor added \$10.3 million in FY 2016 and \$8.3 million for FY 2017, all from special revenue funds, to reflect additional debt service interest expenditures arising from the December 2015 \$400.0 million par value bond issuance.
2. The Governor deleted \$100.0 million, all from the State Highway Fund, to adjust budgeted expenditures in relation to the additional amount issued in bonds.
3. The Governor's made adjustments to reflect November 2015 estimates for expenditures from the Highway Revenue Estimating Group. Estimated increases to Special City and County Highway Fund expenditures included \$741,687 for FY 2016 and \$753,648 for FY 2017.
4. The Governor added \$1,986,200, all from the State Highway Fund, for the agency's enhancement request to relocate the Concordia Subarea for FY 2017. This is an increase of \$593,300, all from the State Highway Fund, from the agency's original request in order to incorporate the most recent cost estimates and allow for co-location of Highway Patrol and other site expenditures for FY 2017.
5. The Governor's May 18, 2016 allotment, utilizing Special Allotment Authority prescribed in 2016 House Sub. for SB 161, made transfers from the State Highway Fund to the State General Fund of \$70.0 million in FY 2016 and \$115.0 million for FY 2017. Expenditures for FY 2017 reflect capital improvements expenditure reductions taken by the agency totaling \$294.5 million to suspend or delay FY 2017 projects to allow for both of these transfers.
6. The Legislature added \$70,000, all from the State Highway Fund, for expenditures related to the administration and operation of the DUI memorial signage program created in 2016 House Sub. for SB 245 for FY 2017.
7. The Legislature added \$19,300, all from the State Highway Fund, for 2016 HB 2610 for four memorial signage designations for FY 2017. These FY 2017 designations included: the Chief Warrant Officer 5 David Carter Fallen

Veterans Memorial Interchange; the John Troy, Pete Hughes, and Earl Seifert Highway; the Captain Chris Norgren Memorial Interchange; and the SGT Lavern W. Tegtmeier Memorial Highway.

8. The Legislature deleted \$773,276, all from special revenue funds, to eliminate the remaining three quarters of Death and Disability payments for FY 2017.
9. The Legislature added language in 2016 House Sub. for SB 161 to reinstate the cap on debt service on the State Highway Fund, and set the cap to 19.0 percent for FY 2017.
10. The Legislature added language in 2016 House Sub. for SB 249 directing certain duties for the Director of Unmanned Aircraft Systems (UAS) for FY 2017.
11. The Legislature transferred \$5.0 million, all from the State Highway Fund to the School District Extraordinary Need Fund for FY 2017. The State Highway Fund will receive approximately \$4.2 million from the vehicle modernization surcharge for FY 2017.