

State Highway Fund - Revenue Adjustments FY 1999 - FY 2017

Table reflects: 1) Actual FY 2015 receipts as of August 11, 2015, 2) November 12, 2015 CREs for Approved Fiscal Years receipts estimates, 3) Adjustments to reflect the July 30th, 2015 "FY 2016 SGF Expenditure Reduction and Fund Transfer Plan," November 2015 action, and 2016 House Sub. for SB 161 4) Additional Transfers approved for FY 2016 and FY 2017.

(Table does not reflect all state sources of State Highway Fund revenue, such as vehicle registrations, motor fuels taxes, or Federal Funding.)
(In Thousands)

(\$000)	I			II		III			IV	V			VI	VII	VIII	IX	(\$000)	(2+4+7) RECEIPTS TOTAL	(\$000)	(3+5+6+7+8) NET TOTAL	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15						
	Sales Tax Demand Transfer			Sales & Compensating Use Tax		State General Fund (SGF) Loans			SGF CTP Bond Payments	Transfers from the State Highway Fund (SHF)			TOTAL Listed Transfers								
FY	Proposed (Sales Tax) Transfer	SGF (Sales Tax) Transfer	Difference (2-1)	APPROVED (NOV. CRE) S&C Tax	Increase In S&C	SGF Loans	Loan Repayments	Delayed/ Eliminated	TOTAL (P + I)	Commerce Affordable Airfare	Highway Patrol SGF Transfer	Highway Patrol Direct Transfer	Gov. Rec. Reduction & Transfers	Statehouse Debt Service	Other Education Transfers	Other Health Transfers		FY	FY		
1999	\$ 106,119	\$ 87,899	\$ (18,220)	\$ 85,889	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1999	\$ 173,788	1999	\$ (18,220)
2000	107,910	62,240	(45,670)	88,598	-	-	-	-	-	-	-	-	-	-	-	-	-	2000	150,839	2000	(45,670)
2001	109,744	51,709	(58,035)	89,241	-	-	-	-	-	-	-	-	-	-	-	-	-	2001	140,949	2001	(58,035)
2002	138,261	94,288	(43,973)	91,611	-	(94,609)	-	(94,609)	-	-	-	-	-	-	-	-	-	2002	185,899	2002	(138,582)
2003	170,070	-	(170,070)	89,369	-	-	-	(94,609)	-	-	(2,249)	-	-	-	-	-	-	2003	89,369	2003	(172,319)
2004	179,519	-	(179,519)	90,137	-	(30,597)	-	(125,206)	-	-	-	-	-	-	-	-	-	2004	90,137	2004	(210,116)
2005	180,486	-	(180,486)	93,353	-	-	-	(125,206)	-	-	(35,092)	-	-	-	-	-	-	2005	93,353	2005	(215,578)
2006	190,213	-	(190,213)	98,914	-	-	-	(125,206)	-	-	(34,515)	-	-	-	-	-	-	2006	98,914	2006	(224,728)
2007	196,774	-	(196,774)	158,393	60,953	-	32,517	(92,689)	10,426	(5,000)	(30,207)	-	-	-	-	-	-	2007	201,336	2007	(128,085)
2008	187,869	-	(187,869)	273,293	186,682	-	30,896	(61,793)	16,150	(5,000)	(30,405)	-	-	-	-	-	-	2008	320,339	2008	10,454
2009	185,899	-	(185,899)	268,740	173,112	-	-	(61,793)	-	(5,000)	(37,179)	-	-	-	-	-	-	2009	268,740	2009	(54,966)
2010				259,445				(61,793)	-	(5,000)	(36,245)	-	(143,287)	-	-	-	-	2010	259,445	2010	(184,532)
2011				292,782				(61,793)	-	(5,000)	(36,000)	(19,766)	(149,593)	-	-	-	-	2011	292,782	2011	(210,359)
2012				312,514				(61,793)	-	-	(32,760)	(20,798)	(205,000)	-	-	-	-	2012	312,514	2012	(258,558)
2013				319,546				(61,793)	-	-	-	(54,022)	-	-	-	-	-	2013	319,546	2013	(54,022)
2014				485,458				(61,793)	-	(5,000)	(55,143)	(15,000)	-	(140,250)	(107,250)	(9,750)	-	2014	485,458	2014	(215,393)
2015				515,879				(61,793)	-	(5,000)	(55,152)	(173,479)	(173,479)	(20,000)	(107,250)	(9,750)	-	2015	515,879	2015	(370,631)
APVD 2016				518,115				(61,793)	-	(5,000)	(54,565)	(187,324)	(187,324)	(20,000)	(107,250)	(9,750)	-	APVD 2016	518,115	APVD 2016	(383,889)
APVD 2017				534,639				(61,793)	-	-	(55,819)	(155,771)	(155,771)	(20,000)	(107,250)	(9,750)	-	APVD 2017	534,639	APVD 2017	(348,590)
1999-2017 TOTAL	\$ 1,752,864	\$ 296,136	\$ (1,456,728)	\$ 4,665,915	\$ 420,747	\$ (125,206)	\$ 63,413	\$ (61,793)	\$ 26,576	\$ (40,000)	\$ (274,652)	\$ (315,265)	\$ (1,029,454)	\$ (60,000)	\$ (462,000)	\$ (29,250)	\$ (2,210,621)	1999-2017 RECEIPTS	\$ 4,988,628	1999-2017 NET TOTAL	\$ (3,281,818)

I. The 2002 Legislature eliminated the FY 2003 Sales Tax demand transfer, the 2003 Legislature eliminated the FY 2004 Sales Tax demand transfer, and the 2004 Legislature eliminated Sales Tax demand transfers for the remainder of the CTP.

II. Prior to FY 2007 the Sales and Compensating Use Tax was 0.25 percent, in 2007 it was increased to 0.38 percent, and then increased again in FY 2008 to 0.65 percent. Later, the 2013 Legislature reduced the overall sales tax to 6.15 percent, effective July 1, 2013. This change in sales tax led to a recalculation of the amount that the State Highway Fund receives, in order to keep them whole (at which point the State Highway Fund was receiving 17.073 percent of the sales and compensating use tax). With the passage of 2015 House Sub. for Senate Bill 270 the sales and compensating use tax, as of July 1, 2015, was increased from 6.15 percent to 6.50 percent. The State Highway Fund is set to receive a direct deposit of 16.226 percent of this tax in FY 2016, and 16.154 for FY 2017. The November 12th Consensus Revenue Estimates for the State Highway Fund, estimated that KDOT will receive sales tax in the amount of \$518.1 million in FY 2016 and \$534.6 million in FY 2017.

III. A total of \$125.2 million was "borrowed" from the State Highway Fund with arrangement to pay back from FY 2007 to FY 2010 (includes the 2002 Legislature transfer equal to the FY 2002 sales tax transfer, the 2003 Legislatures transfer to finance a portion of the Department of Revenue's Division of Vehicles, and the 2004 Legislature transfer to finance Highway Patrol State General Fund operations). The first two repayments were made in FY 2007 and FY 2008. As part of the 2009 Session, the FY 2009 payment of \$30.9 million was delayed until FY 2011, and the FY 2010 payment of \$30.9 million was eliminated. The Governor's FY 2011 recommendation called for the elimination of the FY 2009 payment that was delayed to FY 2011.

IV. The 2004 Legislature authorized the issuance of \$210.0 million in State General Fund backed bonds, which appear in the Department of Administration's (DOA) budget. The 2009 Legislature transferred \$25.3 million, all from the State Highway Fund, to the State General Fund to reimburse the State General Fund for FY 2009 and FY 2010 Comprehensive Transportation Program (CTP) bond payments (Interest and Principal in FY 2009, and Interest in FY 2010 as the Principal portion was part of the bond restructuring). The Governor's FY 2011 recommendation included the continued transfer of \$25.0 million to reimburse the State General Fund for bond payments.

V. Transfers from the State Highway Fund include: (1) Affordable Airfare Fund: 2006 House Sub. for SB 475 created the State Affordable Airfare Fund in the Department of Commerce, funded through a transfer of \$5.0 million from the State Highway Fund annually from FY 2007 to FY 2011. In FY 2012 and FY 2013, this transfer was made from the Economic Development Initiatives Fund (EDIF), but then continued as a transfer from the State Highway Fund in FY 2014, FY 2015, and FY 2016. The program is scheduled for elimination for FY 2017. (2) The State Highway Fund transfer to the State General Fund to finance Highway Patrol operations. (3) A direct transfer from the State Highway Fund to the Highway Patrol to finance operations.

VI. The Governor's recommended and approved expenditure reductions and transfers to the State General Fund from the State Highway Fund include:

{FY 2010} (1) \$80.0 million captured through reductions and existing State Highway Fund balance (recommended to the Legislature as part of the 2009 July and November allotments); (2) \$25.3 million to reimburse the State General Fund for debt service principal and interest payments on CTP bonds (as part of 2009 Senate Substitute for House Bill 2373); (3) \$28.0 million captured through additional project preservation letting reductions (totaling \$86.5 million) (recommended as part of the Governor's "Budget Balancing Plan" announced March 5, 2010); (4) \$10.0 million transferred as part of \$11.0 million in federal funding anticipated to be received by the State as part of the passage of a primary seatbelt law (2010 HB 2130).

{FY 2011} (1) \$80.0 million captured through recommended reductions and existing State Highway Fund balance; (2) \$25.0 million to reimburse the State General Fund for debt service principal and interest payments on CTP bonds. (3) \$44.3 million recommended to be transferred, and would capture FY 2011 savings for \$86.5 million in preservation projects that were not let as part of the Governor's Budget Amendment No. 1, Item 5 for FY 2010.

{FY 2012} (1) The Governor's FY 2012 recommendation included the transfer of \$200.0 million from the State Highway Fund to the State General Fund. In order to capture the necessary savings for the FY 2012 transfer, preservation projects were reduced by \$22.0 million in both FY 2011 and FY 2012. The agency provided information stating that this transfer was possible due in part to lower than expected bid prices and low inflation, however, the agency has advanced its bonding schedule and will issue \$50.0 million in bonds for FY 2012. Prior to the transfer, no bonds were scheduled to be issued for FY 2012; (2) The final 2011 Appropriations Bill (Senate Sub for HB 2014) increased the total transfer by \$5.0 million to \$205.0 million from the State Highway Fund to the State General Fund. The additional \$5.0 million was to capture administrative savings experienced by the agency in FY 2011.

{FY 2014} (1) \$15.0 million transferred to the State General Fund as part of 2013 SB 171 (KTA/KDOT formalized partnership savings).

{FY 2015} (1) \$15.0 million transferred to the State General Fund as part of 2013 SB 171 (KTA/KDOT formalized partnership savings); (2) \$158.5 million transferred to the State General Fund as part of 2015 House Sub. for SB 4 (\$150.7 million transfer, \$7.8 million operations reduction).

{FY 2016} (1) \$129.3 million transferred to the State General Fund as part of 2015 House Sub. for SB 112 (\$116.0 million transfer, \$13.3 million operations reduction); (2) \$8.0 million transferred to the State General Fund noted as operational efficiencies savings included in the July 30th, 2015, "FY 2016 SGF Expenditure Reduction and Fund Transfer Plan;" (3) \$47.9 million was transferred from the State Highway Fund to the State General Fund in November 2015. NOTE: {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 to the State General Fund in FY 2016.

{FY 2017} (1) \$130.8 million transferred to the State General Fund as part of 2015 House Sub. for SB 112 (\$117.0 million transfer, \$13.8 million operations reduction); (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: 1) \$10.0 million in projected savings generated from various efficiency study recommendations; and 2) \$15.0 million from the leasing of excess bandwidth on KDOT's communications system.)

VII. Statehouse Debt Service - This column begins in FY 2015, and reflects only certain special transfers made from the State Highway Fund, which includes:

{FY 2015} - Transfers for Department of Administration - Statehouse Debt Service (\$20.0 million).

{FY 2016} - Transfers for Department of Administration - Statehouse Debt Service (\$20.0 million).

{FY 2017} - Transfers for Department of Administration - Statehouse Debt Service (\$20.0 million).

VIII. Other Education Transfers - This column is not all inclusive. It begins in FY 2014, and reflects only certain special transfers made from the State Highway Fund, which includes:

{FY 2014} - Transfers for Education that include: Technical Education Transportation (\$650,000); Transportation Weighting (\$96.6 million); and Transportation of Special Ed Students (\$43.0 million).

{FY 2015} - Transfers for Education that include: Technical Education Transportation (\$650,000); Transportation Weighting (\$96.6 million); and Transportation of Special Ed Students (\$10.0 million).

{FY 2016} - Transfers for Education that include: Technical Education Transportation (\$650,000); Transportation Weighting (\$96.6 million); and Transportation of Special Ed Students (\$10.0 million).

{FY 2017} - Transfers for Education that include: Technical Education Transportation (\$650,000); Transportation Weighting (\$96.6 million); and Transportation of Special Ed Students (\$10.0 million).

IX. Other Health Transfers - This column begins in FY 2015, and reflects only certain special transfers made from the State Highway Fund, which includes:

{FY 2015} - Transfers for Aging and Disability Services - Mental Health Grants (\$9.7 million).

{FY 2016} - Transfers for Aging and Disability Services - Mental Health Grants (\$9.7 million).

{FY 2017} - Transfers for Aging and Disability Services - Mental Health Grants (\$9.7 million).

CTP = Comprehensive Transportation Program

SGF = State General Fund

P + I = Principal and Interest

SHF = State Highway Fund