

Senate Subcommittee Report

Agency: Kansas Department of Transportation

Bill No. SB 155

Bill Sec. 86

Analyst: Riedel

Analysis Pg. No. Vol. II, p. 1525

Budget Page No. 500

Expenditure Summary	Agency Request FY 2024	Governor Recommendation FY 2024	Senate Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	1,015,000	1,015,000	0
Other Funds	778,141,757	773,481,728	4,226,614
<i>Subtotal</i>	<u>\$ 779,156,757</u>	<u>\$ 774,496,728</u>	<u>\$ 4,226,614</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	1,371,299,046	1,371,299,046	0
<i>Subtotal</i>	<u>\$ 1,371,299,046</u>	<u>\$ 1,371,299,046</u>	<u>\$ 0</u>
TOTAL	<u>\$ 2,150,455,803</u>	<u>\$ 2,145,795,774</u>	<u>\$ 4,226,614</u>
FTE positions	2,283.3	2,283.3	0.0

Agency Request

The **agency** requests \$2.2 billion, including \$1.8 billion from the State Highway Fund, in expenditures for FY 2024. This is an all funds decrease of \$678.2 million, or 24.0 percent, and a State Highway Fund decrease of \$521.8 million, or 22.7 percent, below the FY 2023 revised estimate. This is the fourth year of the IKE Transportation Plan, and expenditures include decreased capital improvement in the Construction Program for the letting of highway expansion projects (\$729.4 million), building improvements (\$8.7 million), and debt service payments on highway bonds (\$135.3 million), which are partially offset by increased highway modernization projects (\$173.3 million) and local projects (\$10.5 million). The decrease is further offset by increased expenditures for salaries and wages, which include a salary adjustment plan increase for equipment operators, engineers, and equipment mechanics, as well as increased expenditures for the replacement of heavy equipment. The request includes 2,283.3 FTE positions, which is unchanged from the FY 2023 revised estimate number.

Governor's Recommendation

The **Governor** recommends \$2.1 billion, including \$1.8 billion from the State Highway Fund, in expenditures for FY 2024. This is an all funds decrease of \$4.7 million, or 0.2 percent, and a State Highway Fund decrease of \$433,415, or less than 0.1 percent, below the FY 2024 requested amount. The decrease is primarily due to a decreased revised highway revenue estimate (\$4.2 million). The decrease is also due to the Governor recommending a modified salary adjustment plan that reduces the pay increase for certain engineering positions. The

Governor concurs with the agency's capital improvements request for FY 2024. The recommendation includes 2,283.3 FTE positions, which is unchanged from the FY 2024 requested number.

Senate Committee on Transportation Recommendation

The **Committee** concurs with the Governor's recommendation for FY 2024, with the following adjustments:

1. Add \$4.2 million, all from the Special City and County Highway Fund, and transfer the same amount from the State General Fund to the Special City and County Highway Fund for formula aid to local governments to improve local roads and streets for FY 2024. This adjustment would offset a decreased highway revenue estimate.
2. Recommend the Senate Committee on Ways and Means consider adding funding for the Kansas Airport Improvement Program (KAIP) due to a large demand in recent years. The KAIP makes grants to public use airports for planning, constructing, and rehabilitating facilities, pursuant to KSA 75-5061. The Governor's recommendation includes a total of \$10.0 million from the Public Use General Aviation Development Fund for this purpose for FY 2024. The agency notes that the KAIP receives requests from airports totaling approximately \$50.0 million each year. *[Staff note: SB 272 would implement a policy change that increases the minimal statutory funding for the program from \$5.0 million to \$18.0 million annually, starting in FY 2024.]*

Senate Committee Recommendation

The **Committee** concurs with the Committee on Transportation's recommendation for FY 2024, with the following adjustments:

1. Delete \$6.4 million, all from special revenue funds, for the agency's salary adjustment plan involving equipment operators, engineers, and mechanics for FY 2024 and review at Omnibus.
2. Add language authorizing the transfer of funding to the Special City and County Highway Fund of up to \$4.2 million SGF for formula aid to local governments in the amount revenues to the fund fall short of the agency's estimate of \$156.4 million, upon certification by the Director of the Budget, for FY 2024.

Senate Committee of the Whole Recommendation (Sub. for SB 155)

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2024.

House Budget Committee Report

Agency: Kansas Department of Transportation **Bill No.** HB 2273 **Bill Sec.** 86

Analyst: Riedel **Analysis Pg. No.** Vol. II, p. 1525 **Budget Page No.** 500

Expenditure Summary	Agency Request FY 2024	Governor Recommendation FY 2024	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	1,015,000	1,015,000	0
Other Funds	778,141,757	773,481,728	4,226,614
<i>Subtotal</i>	<u>\$ 779,156,757</u>	<u>\$ 774,496,728</u>	<u>\$ 4,226,614</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	1,371,299,046	1,371,299,046	0
<i>Subtotal</i>	<u>\$ 1,371,299,046</u>	<u>\$ 1,371,299,046</u>	<u>\$ 0</u>
TOTAL	<u>\$ 2,150,455,803</u>	<u>\$ 2,145,795,774</u>	<u>\$ 4,226,614</u>
FTE positions	2,283.3	2,283.3	0.0

Agency Request

The **agency** requests \$2.2 billion, including \$1.8 billion from the State Highway Fund, in expenditures for FY 2024. This is an all funds decrease of \$678.2 million, or 24.0 percent, and a State Highway Fund decrease of \$521.8 million, or 22.7 percent, below the FY 2023 revised estimate. This is the fourth year of the IKE Transportation Plan, and expenditures include decreased capital improvement in the Construction Program for the letting of highway expansion projects (\$729.4 million), building improvements (\$8.7 million), and debt service payments on highway bonds (\$135.3 million), which are partially offset by increased highway modernization projects (\$173.3 million) and local projects (\$10.5 million). The decrease is further offset by increased expenditures for salaries and wages, which include a salary adjustment plan increase for equipment operators, engineers, and equipment mechanics, as well as increased expenditures for the replacement of heavy equipment. The request includes 2,283.3 FTE positions, which is unchanged from the FY 2023 revised estimate number.

Governor's Recommendation

The **Governor** recommends \$2.1 billion, including \$1.8 billion from the State Highway Fund,

in expenditures for FY 2024. This is an all funds decrease of \$4.7 million, or 0.2 percent, and a State Highway Fund decrease of \$433,415, or less than 0.1 percent, below the FY 2024 requested amount. The decrease is primarily due to a decreased revised highway revenue estimate (\$4.2 million). The decrease is also due to the Governor recommending a modified salary adjustment plan that reduces the pay increase for certain engineering positions. The Governor concurs with the agency's capital improvements request for FY 2024. The recommendation includes 2,283.3 FTE positions, which is unchanged from the FY 2024 requested number.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2024, with the following adjustment:

1. Add \$4.2 million, all from the Special City and County Highway Fund, and transfer the same amount from the State General Fund to the Special City and County Highway Fund for formula aid to local governments to improve local roads and streets for FY 2024. This adjustment would offset a decreased highway revenue estimate.

House Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendation for FY 2024.

House Committee of the Whole Recommendation (Sub. for SB 42)

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2024.

Conference Committee Recommendation (HB 2184)

The **Conference Committee** concurs with the Governor's recommendation for FY 2024, with the following adjustments:

1. Add \$4.2 million, all from the Special City and County Highway Fund, and transfer the same amount from the SGF to the fund for formula aid to local governments for FY 2024. Add language authorizing the transfer up to \$4.2 million SGF in the amount revenues to the fund fall short of the agency's estimate of \$156.4 million, upon certification by the Director of the Budget, for FY 2024. This transfer would offset a decreased highway revenue estimate.
2. Delete \$6.4 million, all from special revenue funds, for a salary adjustment plan involving equipment operators, engineers, and mechanics for FY 2024 and review at Omnibus.
3. Delete \$4.0 million, all from the Transportation Technology Development Fund, and add language directing the transfer \$9.0 million from the fund to the Transportation Research Fund at the Board of Regents for FY 2024.
4. Add language authorizing the agency to continue a driver's education scholarship grant program, which provides assistance of up to \$200 per qualified individual, for FY 2024 and FY 2025. The agency must submit a report to the House Committee on Appropriations, House Committee on Transportation, Senate Committee on Ways and Means, and Senate Committee on Transportation by January 8, 2024, and January 13, 2025, regarding the program.

Governor's Veto (HB 2184)

The **Governor** vetoes the following:

1. Language directing the transfer of \$9.0 million from the Transportation Technology Development Fund to the Transportation Research Fund at the Board of Regents for FY 2024. This veto restores expenditures of \$4.0 million, all from the Transportation Technology Development Fund, for KDOT for FY 2024.

Omnibus Action (SB 25)

1. Add \$5.0 million, all from the Rail Service Improvement Fund, to align with provisions of HB 2335, which increases assistance to short line railroads, for FY 2024.
2. Add \$108,000, all from the State Highway Fund, and 2.0 FTE Public Service Administrator positions to implement provisions of SB 49 concerning the installation of light-mitigating technology systems in new and existing wind turbines for FY 2024.
3. Add \$20,640, all from the State Highway Fund, to manufacture and install memorial highway designation signs for FY 2024, as required by HB 2298.

State Finance Council

1. Add \$7.1 million, all from the State Highway Fund, for a salary adjustment for most state employees based on the Department of Administration Market Survey and a 5.0 percent salary adjustment for employees with job classifications that are not included in the Market Survey for FY 2024.

	Governor's Recommendation* FY 2024	Legislative Action Mega Bill	Legislative Approved FY 2024	Legislative Action Omnibus Bill	Final Legislative Approved FY 2024
All Funds					
State Operations	\$ 497,845,414	\$ (6,432,484)	\$ 491,412,930	\$ 7,190,930	\$ 498,603,860
Aid to Local Units	232,116,192	226,614	232,342,806	0	232,342,806
Other Assistance	48,535,122	0	48,535,122	5,000,000	53,535,122
<i>Subtotal - Operations</i>	<i>\$ 778,496,728</i>	<i>\$ (6,205,870)</i>	<i>\$ 772,290,858</i>	<i>\$ 12,190,930</i>	<i>\$ 784,481,788</i>
Capital Improvements	1,371,299,046	0	1,371,299,046	0	1,371,299,046
TOTAL	\$ 2,149,795,774	\$ (6,205,870)	\$ 2,143,589,904	\$ 12,190,930	\$ 2,155,780,834

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
<i>Subtotal - Operating</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
Capital Improvements	0	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

FTE Positions	2,283.3	0.0	2,283.3	2.0	2,285.3
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* Includes the Governor's veto of language in HB 2184 directing the transfer of \$9.0 million from the Transportation Technology Development Fund to the Transportation Research Fund at the Board of Regents for FY 2024. This veto adds \$4.0 million, all from the Transportation Technology Development Fund, for FY 2024.