

February 1, 2024

The Honorable Mike Petersen, Chairperson
Senate Committee on Transportation
300 SW 10th Avenue, Room 546-S
Topeka, Kansas 66612

Dear Senator Petersen:

SUBJECT: Fiscal Note for SB 349 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 349 is respectfully submitted to your committee.

SB 349 would require the Kansas Department of Transportation (KDOT) to create an intercity passenger rail service program to develop and provide funding in order to connect Kansas by rail to other member states of the Midwest Interstate Passenger Rail Commission, the Midwest Regional Rail System, the National Passenger Rail Network, and any other passenger rail service operations servicing Kansas. The bill would require KDOT to provide funding for the costs of qualifying projects and provide operating support for Amtrak or any common rail carrier approved by the Federal Railroad Administration.

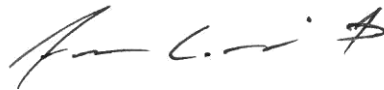
The bill would require the Secretary of Transportation, in consultation with the Director of the Budget, to determine the amount of unencumbered moneys in the State General Fund, the State Highway Fund, or any special revenue fund of KDOT that may be used for the intercity passenger rail program. The bill would require the determination to be made on July 1 each year from FY 2025 through FY 2035. Upon certification by the Secretary of Transportation, the bill would require \$5.0 million to be transferred from the State General Fund, the State Highway Fund, or any special revenue fund of KDOT to the Passenger Rail Service Revolving Fund.

KDOT indicates that enactment of the bill would require \$5.0 million of unencumbered funds from the State General Fund, the State Highway Fund, and special revenue funds to be transferred to the Passenger Rail Service Revolving Fund each fiscal year from FY 2025 to FY 2035. However, under the current KDOT budget, there are no unencumbered funds available to be transferred from the State Highway Fund. Additionally, all State Highway Fund revenues estimated to be received during the Eisenhower Legacy Transportation Program (IKE) will be used

for current and future IKE projects. KDOT also notes that transferring special revenue funds to the Passenger Rail Service Revolving Fund may expose KDOT to legal challenges from using special revenue funds for a purpose other than their intended statutory purpose. KDOT does not currently receive appropriations from the State General Fund.

In addition, KDOT indicates that the new Intercity Passenger Rail Service Program would require 1.00 new FTE position at the level of a Public Service Executive II or higher, with a cost to the agency of \$92,661 for FY 2025. This amount includes a base salary of \$64,285 plus benefits totaling \$28,376. As a result, KDOT would need an increase to the expenditure limitation of the agency operations account by \$92,661 beginning in FY 2025. Any fiscal effect associated with SB 349 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Brendan Yorkey, Department of Transportation