

Senate Subcommittee Report

Agency: Kansas Department of Transportation

Bill No. SB 514

Bill Sec. 116

Analyst: Riedel

Budget Analysis Vol. II, p. 1415

GBR Vol. II, p. 500

Expenditure Summary	Agency Request FY 2025	Governor Recommendation FY 2025	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	825,672,676	826,060,921	10,000,000
<i>Subtotal</i>	<u>\$ 825,672,676</u>	<u>\$ 826,060,921</u>	<u>\$ 10,000,000</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	1,472,945,064	1,472,945,064	0
<i>Subtotal</i>	<u>\$ 1,472,945,064</u>	<u>\$ 1,472,945,064</u>	<u>\$ 0</u>
TOTAL	<u>\$ 2,298,617,740</u>	<u>\$ 2,299,005,985</u>	<u>\$ 10,000,000</u>
FTE positions	2,288.8	288.8	0.0

Agency Request

The **agency** requests \$2.3 billion, including \$1.9 billion from the State Highway Fund, in expenditures for FY 2025. This is an all funds increase of \$54.9 million, or 2.4 percent, including a State Highway Fund increase of \$99.0 million, or 5.4 percent, above the FY 2024 revised estimate. FY 2025 will be the fifth year of the IKE Transportation Plan, and expenditures include increased capital improvements in the Construction Program for the letting of highway expansion projects (\$139.3 million) and modernization projects (\$16.6 million).

The request also includes increased expenditures for heavy equipment and debt service on highway bonds. The increase is partially offset by decreased capital improvements for buildings, primarily due to completion of the District One Headquarters in FY 2024. The increase is further offset by decreased expenditures for rail and airport improvements, public transit, and innovative technologies. The request includes 2,288.8 FTE positions, which is unchanged from the FY 2024 revised number.

Governor's Recommendation

The **Governor** recommends \$2.3 billion, including \$1.9 billion from the State Highway Fund, in expenditures for FY 2025. This is an increase of \$388,245, or less than 0.1 percent, all from the State Highway Fund, above the FY 2025 requested amount. The increase is due to the Governor recommending \$315,244 for increased differential and standby pay for certain

employees in the Maintenance program, including those responsible for snow and ice removal on state highways, and \$73,000 to increase the tool and personal protective equipment (PPE) allowances for maintenance employees. The recommendation also includes a transfer of \$361,266 from the Mental Health Grants Fund at the Kansas Department for Aging and Disability Services (KDADS) to the State Highway Fund for FY 2025, which returns the unspent balance from a previous transfer to KDADS. The recommendation includes 2,288.8 FTE positions, which is unchanged from the requested number.

Joint Committee on State Building Construction Recommendation

The **Joint Committee** concurs with the Governor's recommendation for capital improvements for FY 2025.

Senate Committee on Transportation Recommendation

The **Committee** concurs with the Governor's recommendation for FY 2025, with the following adjustments and notation:

1. Add \$5.0 million, all from the Public Use General Aviation Airport Development Fund, and transfer the same amount from the SGF to this aviation fund, to increase support for the Kansas Airport Improvement Program (KAIP) for FY 2025. KAIP makes grants to public use airports for planning, constructing, and rehabilitating facilities, pursuant to KSA 75-5061. This adjustment would provide a total of \$15.0 million for the KAIP for FY 2025.
2. Add \$5.0 million, all from the Passenger Rail Service Revolving Fund, and transfer the same amount from the SGF to this rail fund, to support an intercity rail service such as the proposed Amtrak Heartland Flyer extension for FY 2025. Add language allowing the agency to administer grants and loans from the fund for the cost of qualifying projects and operating support for Amtrak or other passenger rail carriers. [*Staff note:* This adjustment relates to provisions of proposed SB 349 concerning establishment of an Amtrak intercity passenger rail service.]
3. The Committee expresses intent to continue an annual SGF transfer to the Passenger Rail Service Revolving Fund through FY 2035.

Senate Committee on Ways and Means Recommendation

The **Committee** concurs with the Senate Committee on Transportation's recommendation for FY 2025, with the following adjustments and notations:

1. Transfer \$5.0 million from the State Highway Fund to the Public Use General Aviation Airport Development Fund, rather than from the SGF, for increased support of the KAIP for FY 2025. [*Staff note:* This adjustment relates to provisions of proposed SB 272, which increases statutory transfers from the State Highway Fund to the Public Use General Aviation Airport Development Fund annually.]
2. Transfer \$5.0 million from the State Highway Fund to the Passenger Rail Service Revolving Fund, rather than from the SGF, to support an intercity rail service such as the Amtrak Heartland Flyer for FY 2025.

3. The Committee expresses no intent regarding transfers to the Passenger Rail Service Revolving Fund beyond FY 2025.
4. The Committee requests the agency provide information on current encumbrances of the State Highway Fund prior to finalization of the budget.

Senate Committee of the Whole Recommendation (Sub. for SB 514)

The **Committee of the Whole** concurs with the Senate Committee on Ways and Means' recommendation for FY 2025,

House Budget Committee Report

Agency: Kansas Department of Transportation **Bill No.** HB 2802 **Bill Sec.** 116

Analyst: Riedel **Budget Analysis Vol. II, p. 1415** **GBR Vol. II, p. 500**

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<i>Subtotal</i>	\$ 825,672,676	\$ 826,060,921	\$ 10,000,000
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Other Funds	1,472,945,064	1,472,945,064	0
<i>Subtotal</i>	\$ 1,472,945,064	\$ 1,472,945,064	\$ 0
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FTE positions	2,288.8	2,288.8	0.0
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Agency Request

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The request also includes increased expenditures for heavy equipment and debt service on highway bonds. The increase is partially offset by decreased capital improvements for buildings, primarily due to completion of the District One Headquarters in FY 2024. The increase is further offset by decreased expenditures for rail and airport improvements, public transit, and innovative technologies. The request includes 2,288.8 FTE positions, which is unchanged from the FY 2024 revised number.

Governor's Recommendation

The **Governor** recommends \$2.3 billion, including \$1.9 billion from the State Highway Fund, in expenditures for FY 2025. This is an increase of \$388,245, or less than 0.1 percent, all from the State Highway Fund, above the FY 2025 requested amount. The increase is due to the Governor recommending \$315,244 for increased differential and standby pay for certain employees in the Maintenance program, including those responsible for snow and ice removal on state highways, and \$73,000 to increase the tool and personal protective equipment (PPE) allowances for maintenance employees. The recommendation also includes a transfer of \$361,266 from the Mental Health Grants Fund at the Kansas Department for Aging and Disability Services (KDADS) to the State Highway Fund for FY 2025, which returns the unspent balance from a previous transfer to KDADS. The recommendation includes 2,288.8 FTE positions, which is unchanged from the requested number.

Joint Committee on State Building Construction Recommendation

The **Joint Committee** concurs with the Governor's recommendation for capital improvements for FY 2025.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2025, with the following adjustments:

1. Add \$5.0 million, all from the Public Use General Aviation Airport Development Fund, and transfer the same amount from the State Highway Fund to this aviation fund, to increase support for the Kansas Airport Improvement Program (KAIP) for FY 2025. This adjustment would provide a total of \$15.0 million for KAIP for FY 2025. Add language that such transfer should not occur if SB 272, or substantially similar legislation, is passed by the 2024 Legislature.
2. Add \$5.0 million, all from the Passenger Rail Service Revolving Fund, and transfer the same amount from the State Highway Fund to this rail fund, to support an intercity rail service such as the proposed Amtrak Heartland Flyer extension for FY 2025. Add language allowing the agency to administer loans or grants from the fund for the costs of qualifying projects and operating support for Amtrak or other passenger rail carriers. [*Staff note:* This adjustment relates to provisions of proposed SB 349 concerning establishment of an Amtrak intercity passenger rail service program.]

House Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendation for FY 2025, with the following adjustments:

1. Delete \$5.0 million, all from the Passenger Rail Service Revolving Fund, and eliminate a proposed transfer of same amount from the State Highway Fund to this rail fund, to support an intercity rail service such as the proposed Amtrak Heartland Flyer extension for FY 2025. Delete language allowing the agency to administer loans or grants from the fund for Amtrak or other passenger rail carriers.
2. Add language authorizing expenditures up to \$6.0 million, all from the State Highway Fund, in the Economic Development Program for aid to local governments to upgrade county roads impacted by dairy industry expansion, such as the Hilmar Dairy facility, in Southwest Kansas for FY 2025.

House Committee of the Whole Recommendation (Sub. for SB 514)

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2025