

# KANSAS DEPARTMENT OF TRANSPORTATION

	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
<b>Operating Expenditures:</b>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	645,788,926	765,625,518	784,126,048	736,666,541	726,680,269
<i>Subtotal</i>	<u>\$ 645,788,926</u>	<u>\$ 765,625,518</u>	<u>\$ 784,126,048</u>	<u>\$ 736,666,541</u>	<u>\$ 726,680,269</u>
<b>Capital Improvements:</b>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	769,058,413	1,087,710,808	1,087,710,808	1,480,598,026	1,480,598,026
<i>Subtotal</i>	<u>\$ 769,058,413</u>	<u>\$ 1,087,710,808</u>	<u>\$ 1,087,710,808</u>	<u>\$ 1,480,598,026</u>	<u>\$ 1,480,598,026</u>
Reportable Exp.	\$ 1,414,847,339	\$ 1,853,336,326	\$ 1,871,836,856	\$ 2,217,264,567	\$ 2,207,278,295
Non-reportable Exp.	762,820,365	216,386,933	216,386,933	216,674,901	216,674,901
<b>GRAND TOTAL</b>	<u><b>\$ 2,177,667,704</b></u>	<u><b>\$ 2,069,723,259</b></u>	<u><b>\$ 2,088,223,789</b></u>	<u><b>\$ 2,433,939,468</b></u>	<u><b>\$ 2,423,953,196</b></u>

**Percentage Change:**

Operating Expenditures					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	23.8	18.6	21.4	(3.8)	(7.3)
FTE Positions	2,351.0	2,250.3	2,250.3	2,250.3	2,250.3

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

## AGENCY OVERVIEW

The Kansas Department of Transportation (KDOT) is a cabinet-level agency headed by a secretary appointed by the Governor. The purpose of KDOT is to coordinate the planning, development, and operation of the various modes and systems of transportation within the state. KDOT has administrative and planning responsibilities for aviation, highways, public transportation, railroads, and waterways. However, the agency’s efforts focus primarily on approximately 10,000 of the state highway system’s more than 140,372 miles of public roads and highways (KSA 68-406(a)). Of those miles, approximately 10,000 are maintained by the Department of Transportation, 238 by the Kansas Turnpike Authority, and approximately 130,000 by local governments. There are also 307 miles located on the grounds of state parks. Of the miles of highway maintained by the state, 635 are on the interstate highway system. The State of Kansas ranks fourth nationwide in the total number of public roads and fifth in the total number of bridges. Statewide, there are approximately 25,000 bridges.

KDOT has five programs: Administration, Transportation Planning and Modal Support, Local Support, Maintenance, and Construction.

## **Reportable and Non-reportable Expenditures**

In order to gauge the full magnitude of spending by KDOT, a number of tables include non-reportable expenditures, including bond payments, interagency transfers, interagency motor fuel sales, payments for the Rail Loan program, and leasing of radios and tower space as part of KDOT's interoperable 800 megahertz (MHz) communication system. However, for state budgeting and accounting purposes, an expenditure is categorized as reportable only when it initially is spent to avoid double counting. Consequently, when reviewing KDOT's budget, most tabular data (including those in the Governor's Budget Report) reflect reportable expenditures and exclude spending of non-reportable money. The magnitude of non-reportable spending by KDOT is significant. Within the agency's budget submission, non-reportable expenditures include \$216.4 million in fiscal year (FY) 2021 and \$216.7 million for FY 2022.

## **State Operations and Capital Improvements**

In a state agency budget, state operations include agency operating costs for salaries and wages and other operating expenditures. Other operating expenditures include contractual services, commodities, and capital outlay. Agency budgets also include separate categories for aid to local units of government, other assistance, and capital improvements. The KDOT budget differs from other agency budgets in that expenditures typically considered state operations are included with budgeted capital improvements expenditures. For example, the Construction program includes capital improvements expenditures but also contains expenditures classified as state operations.

## **MAJOR ISSUES FROM PRIOR YEARS**

### **Comprehensive Transportation Program**

The 1999 Legislature passed a ten-year Comprehensive Transportation Program (CTP) for FY 2000 through FY 2009. The CTP included maintenance and substantial maintenance; construction and reconstruction, with major modifications and priority bridges; system enhancement projects; and a highway demonstration project to evaluate pavement guarantees by the contractor. The CTP also provided enhanced assistance to local units of government and programs for other transportation elements, including rail, air, and public transit.

Total CTP expenditures of \$12.9 billion were proposed in 1999 with total revenues estimated at \$12.7 billion. To fund the program, the Legislature included revenue enhancements totaling \$2.3 billion from motor fuels taxes, a State General Fund (SGF) sales tax transfer, interest on funds, and bonds. With the completion of the CTP, actual revenues and expenditures from FY 2000 to FY 2009 totaled \$13.3 billion.

### **T-WORKS**

The 2010 Legislature passed the ten-year Transportation Works for Kansas (T-WORKS) transportation program (2010 Senate Sub. for Senate Sub. for HB 2650) for the period of FY 2011 to FY 2020. Expenditures for the period are estimated at \$8.2 billion. New revenue enhancements of \$2.7 billion during the period were authorized, including authority to issue new bonds up to an 18.0 percent debt service bonding cap (such that debt service on agency bonds

owed in a year cannot exceed 18.0 percent of expected State Highway Fund revenues). A total of \$1,548,035,000, in par value bonds, were issued across the ten-year period.

The 2011 Legislature transferred \$205.0 million from the State Highway Fund to the SGF for FY 2012. 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 additional \$5.0 million was to capture administrative savings experienced by the agency in FY 2011.

## **Eisenhower Legacy Transportation Program**

The 2020 Legislature passed House Sub. for SB 173 authorizing and directing the Secretary of Transportation to initiate a program to be called the Eisenhower Legacy Transportation Program, which is also known as IKE. The Kansas Department of Transportation estimates \$9.9 billion could be spent on the Program over ten years, assuming only limited transfers from the State Highway Fund after 2023. The bill specifies the types of projects authorized, addresses local funding and new and continuing grant programs, authorizes alternative procurement methods under certain circumstances, increases city connecting links payments, adds reporting requirements, requires at least \$8.0 million to be spent in each county through FY 2030, states that 16.154 percent of sales tax shall be levied for the State Highway Fund, includes no new revenues to the State Highway Fund, and makes additional changes to law.

2020 House Sub. for SB 173 established new funds for particular grants and improvement expenditures as follows:

- **Transportation Technology Development Fund.** The bill authorizes the Secretary to participate in or make grants for projects to plan, assess, and field new capabilities and innovative technologies for modes of transportation including, but not limited to, aviation and highway transportation. The bill states the new capabilities should represent increased efficiency for state operations, public cost savings, increased safety, and economic development. The bill establishes the Transportation Technology Development Fund for the purposes of the grant. Expenditures from this fund are to be made in accordance with the provisions of appropriations acts. The bill states that grants made by the Secretary from this fund will be upon such terms and conditions as the Secretary deems appropriate. The bill requires the Director of Accounts and Reports to transfer \$2.0 million from the State Highway Fund to the Transportation Technology Development Fund on July 1, 2020, and each July 1 thereafter, through July 1, 2030. The Secretary is authorized to transfer additional moneys between the Transportation Technology Development Fund and the State Highway Fund;
- **Broadband Infrastructure Construction Grant Fund.** The bill authorizes the Secretary, working jointly with the Office of Broadband Development within the Department of Commerce, to make grants for construction projects that expand and improve broadband Internet service in Kansas. The bill requires grants made by the Secretary to reimburse grant recipients for up to 50.0 percent of actual construction costs in expanding and improving broadband service. Such grant reimbursements will be upon the terms and conditions the Secretary deems appropriate, in coordination with the Secretary of Commerce. The bill establishes the Broadband Infrastructure Construction Grant Fund, to be used to provide grants for the expansion of broadband service in Kansas. Expenditures from this

fund will be made in accordance with the provisions of appropriations acts. The bill requires the Director of Accounts and Reports to transfer \$5.0 million from the State Highway Fund to the Broadband Infrastructure Construction Grant Fund on July 1, 2020, 2021, and 2022. On July 1, 2023, and each July 1 thereafter, through July 1, 2030, the bill requires the transfer to be \$10.0 million. The bill authorizes the Secretary to notify the Director of Accounts and Reports to transfer all remaining and unencumbered funds from the Broadband Infrastructure Construction Grant Fund to the State Highway Fund at the end of each fiscal year;

- **Short Line Rail Improvement Fund.** The bill establishes the Short Line Rail Improvement Fund (SLRI Fund) to be administered by the Secretary. The SLRI Fund will be subject to appropriations acts, and expenditures will require the written approval of the Secretary. The bill requires expenditures from the SLRI Fund to be made for a qualified railroad track maintenance expenditure constructed by an eligible entity and to be matched on a basis of 70 percent state moneys to 30 percent eligible entity moneys. The bill requires the transfer of \$5.0 million from the State Highway Fund to the SLRI Fund on July 1, 2020, 2021, and 2022. The bill defines an “eligible entity” as a Class II or Class III railroad as defined in federal regulations in effect as of January 1, 2020, or any owner or lessee industry track located on or adjacent to a Class II or Class III railroad in Kansas. The bill defines “qualified railroad track maintenance expenditure” as gross expenditures for maintenance, reconstruction, or replacement of railroad track and related structures in Kansas, if the track was owned or leased by an eligible entity as of January 1, 2020; and
- **Driver’s Education Scholarship Grant Program.** The bill directs the Secretary to develop a driver’s education scholarship grant program to assist qualified individuals in becoming safe drivers. The bill allows any entity that desires to provide a driver’s education program to submit an application for a competitive grant for an amount to be determined by the Secretary for the purpose of paying the costs of scholarships to attend driver’s education. Amounts available will be subject to appropriations. The bill limits a scholarship for a qualified individual to not more than \$200, to be awarded upon completion of the driver’s education program. The bill authorizes the Secretary to adopt rules and regulations to establish criteria and for other matters necessary for this program. The bill defines a qualified individual for this purpose as a resident of Kansas younger than age 30 whose household income is positive and not more than 200 percent of the most recent federal poverty level published by the U.S. Department of Health and Human Services for the tax year prior to the year in which the application is submitted. The bill requires the Secretary to provide a report on this program to the House Committees on Appropriations and Transportation and the Senate Committees on Ways and Means and Transportation on or before January 9, 2023. The provisions related to the driver’s education scholarship grant program will expire June 30, 2023.

The agency anticipates the following expenditures over the course of the Eisenhower Legacy Transportation Program, which is also known as IKE.

**Planned IKE Program Expenditures**

<b>Category</b>	<b>Amount (Billions)*</b>	
Preservation	\$	5.0
Preservation Plus and Innovative Technology		0.3
Modernization and Expansion Projects (excluding delayed T-WORKS Projects)		2.3
Economic Development Projects		0.2
Modes		0.2
Cost Share/ Strategic Safety/ Local Bridge Program		0.3
Special City and County Highway Fund		1.6
<b>Total IKE Program (FY 2021-FY 2030)</b>	<b>\$</b>	<b>9.9</b>
<b>Billion</b>		
*Expenditures assume the issuance of \$1.2 billion in bonds.		

The **2013 Legislature** took the following actions on the agency's budget:

- Transferred \$3.5 million from the State Highway Fund to the new Municipal University Forensic Laboratory Fund for FY 2014 and added language to provide that the transfer shall be repaid in full by Washburn University before the end of FY 2015. The 2013 Legislature then added \$3.5 million, all from the new Municipal University Forensic Laboratory Fund, for FY 2014 to provide funding for a new forensic science laboratory at Washburn University for use by the Kansas Bureau of Investigation;
- Transferred \$6,751,952 from the State Highway Fund to the Department of Revenue's Division of Vehicles Modernization Fund in FY 2013; transferred \$893,036 from the State Highway Fund to the Department of Education in FY 2013, \$143.5 million for FY 2014, and \$107.5 million for FY 2015; and increased the transfer from the State Highway Fund to the Kansas Highway Patrol Operations Fund by \$315,986 in FY 2013;
- Deleted \$25,000 in FY 2013, \$321,267 and 3.0 FTE positions for FY 2014, and \$305,161 and 3.0 FTE positions for FY 2015, all from special revenue funds, to transfer certain emergency response responsibilities from the Department of Transportation to the Adjutant General's Department;
- Approved direct transfers from the State Highway Fund to the Kansas Highway Patrol Operations Fund, totaling \$55.1 million for FY 2014 and \$56.5 million for FY 2015, to support the operations of the Kansas Highway Patrol;
- Reduced the sales tax to 6.15 percent, effective July 1, 2013. This change in sales tax also led to a recalculation of the amount the State Highway Fund receives in order keep the agency fully funded. It was estimated that KDOT would receive sales tax in the amount of \$478.5 million for FY 2014 and \$510.3 million for FY 2015; and

- Passed HB 2234, which names the Secretary of Transportation (Secretary) as the Director of Operations of the Kansas Turnpike Authority (KTA). The Director of Operations is responsible for the daily administration of the toll roads, bridges, structures, and facilities constructed, maintained, and/or operated by the KTA and the Director, or the Director's designee, would have such powers as are necessary to carry out those responsibilities. The bill set this provision to expire July 1, 2016 (this sunset provision was later removed by the 2015 Legislature in HB 2085):
  - The bill provided the KTA cannot use KTA toll or other revenue in ways other than those established in current law: maintaining, repairing, and operating turnpike projects; paying principal and interest on bonds and creating reserves for the same; fixing and collecting tolls; and entering into certain types of contracts;
  - The bill changed authority for contracting between KTA and KDOT for three years. The bill adds an effective date of July 1, 2016, to provisions in current law regarding contracting between the KTA and KDOT (generally, allowing KTA to contract with KDOT for use of KDOT resources for certain types of work related to KTA projects); and
  - In a new section, the bill stated the KTA retains its separate identity, powers, and duties as an instrumentality of the State; however, the bill in this new section requires duplication of effort, facilities, and equipment between KDOT and the KTA be minimized in operation and maintenance of turnpikes and highways in the state. The KTA and the Secretary are authorized to take actions, including the temporary transfer of personnel, property, and equipment from the KTA to the Secretary and from the Secretary to the KTA. Further, the bill requires the integrity of the bonded indebtedness be maintained through the actions of the KTA. The provisions of this new section were set by the bill to expire July 1, 2016 (this sunset provision was later removed by the 2015 Legislature in HB 2085).

The **2014 Legislature** took the following actions on the agency's budget:

- Deleted \$4.8 million in FY 2014 and \$10.5 million for FY 2015 in debt service expenditures based on the most recent estimates from the Highway Revenue Estimating Group;
- Deleted \$1.4 million in FY 2014 and \$1.7 million for FY 2015 in Special City and County Highway Fund expenditures based on the most recent estimates from the Highway Revenue Estimating Group;
- Deleted \$3.5 million, all from the Municipal University Forensic Laboratory Fund, to reflect expenditures not made from the Fund in FY 2014. These funds were later transferred to the SGF as part of 2014 HB 2506;
- Transferred \$7.5 million, all from the State Highway Fund, to the SGF to provide for Statehouse grounds renovation and repair payments in FY 2014;



- Transferred \$20.0 million, all from the State Highway Fund, to the Statehouse Debt Service account of the Department of Administration to pay for Statehouse Debt Service payments for FY 2015; and
- Added \$20,800, all from the State Highway Fund, from 2014 Sub. for HB 2424, which allows the agency to expend gifts and donations for designations and memorial signage for FY 2015.

The **2015 Legislature** approved reductions to preservation projects and lettings of \$51.0 million in FY 2015, \$491.0 million for FY 2016, and \$30.0 million for FY 2017, and reductions to agency operations of \$7.8 million in FY 2015, \$13.3 million for FY 2016, and \$13.8 million for FY 2017. These approved reductions helped achieve savings for various transfers, including those to the SGF as follows: \$158.5 million in FY 2015 as part of House Sub. for SB 4 and \$129.3 million for FY 2016 and \$130.8 million for FY 2017 as part of House Sub. for SB 112. House Sub. for SB 112 also included language suspending the restriction capping Bond Debt Service expenditures to 18.0 percent of projected State Highway Fund revenues for both FY 2016 and FY 2017.

Additional legislation affecting the agency passed during the 2015 Session and effective for FY 2016 includes the following:

- HB 2085 removed the sunset on the KDOT and KTA partnership. Additionally, the legislation designated the Secretary of Transportation as the Director of the Kansas Turnpike Authority. The Secretary previously had been designated the Director of Operations for the KTA;
- SB 270 made several changes to tax law, including raising the state sales tax rate from 6.15 percent to 6.50 percent. The bill requires 16.226 percent for FY 2016 and 16.154 percent beginning July 1, 2016, of state sales tax collections to be deposited in the State Highway Fund. The overall portion of state sales tax receipts directed to the State Highway Fund remains at four-tenths above the CTP level;
- SB 127 requires the Secretary of Transportation, prior to installing any memorial signs, to have received donations that cover the costs associated with designing and installing the signs plus 50.0 percent to help defray future maintenance costs;
- HB 2391 provides state agencies the authority to hire and promote individuals into regular unclassified positions; and
- Senate Sub for HB 2135 authorizes the Director of the Budget to lapse appropriations or transfer funding from special revenue funds to the SGF, up to a total of \$100.0 million, at any time during FY 2016 if the Director determined the unencumbered ending balance of the SGF for FY 2016 would be less than \$100.0 million. This authority did not apply to appropriations for the Judicial Branch, Legislative Branch agencies, debt service, employer contributions to the Kansas Public Employees Retirement System (KPERs), the Department of Education (except the agency's operating expenditures account), or demand transfers to the school district capital improvements fund.

The **2016 Legislature**, through the passage of House Sub. for SB 161, added language to reinstate the maximum annual debt service on outstanding bonds issued shall not exceed 18.0 percent of projected annual State Highway Fund revenues, and set the cap to 19.0 percent for FY 2017. After FY 2017, the cap would continue at 18.0 percent annual debt service to projected annual State Highway Fund revenues. This bill also created the Conversion of Materials and Equipment Fund.

Additional legislation affecting the agency passed during the 2016 Session includes:

- House Sub. for SB 249 added language directing certain duties for the Director of Unmanned Aircraft Systems for FY 2017;
- SB 245 created 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; and
- 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 **2017 Legislature** took the following actions on the agency's budget:

- Transferred \$3.3 million, all from the Agency Operations account of the State Highway Fund to the SGF, which reflects the information technology savings certified under 2015 House Sub. for SB 112, Sec. 80(s)(1);
- Added \$252,380, all from the State Highway Fund, for costs associated with the implementation of 2017 HB 2096 for FY 2018. This amount includes \$250,000 for transit bus operation on certain highway shoulders in Wyandotte County and \$2,380 for the Eldon K. Miller memorial highway designation contained within 2017 HB 2096 for FY 2018;
- Added \$3.2 million in FY 2017, \$1.8 million for FY 2018, and \$2.7 million for FY 2019, all from the Special City and County Highway Fund, to reflect November 2016 estimated expenditures from the highway revenue estimate;
- Transferred the following amounts from the State Highway Fund to the SGF: \$266.6 million in FY 2017, \$288.3 million for FY 2018, and \$293.1 million for FY 2019;
- Deleted State Highway Fund preservation project expenditures of \$284.1 million in FY 2017, \$393.1 million for FY 2018, and \$194.6 million for FY 2019. Additionally, the Legislature deleted State Highway Fund state project expenditures of \$19.5 million in FY 2017 and \$185.0 million for FY 2019. These deletions provided for recommended revenue transfers from the State Highway Fund for each respective fiscal year;



- Appropriated the Seat Belt Safety Fund created in 2017 SB 89, which increases the fine from \$10 to \$30 for a person 18 years and older not wearing a seat belt, and deposits this increase into this newly created fund as a no limit fund for FY 2018 and FY 2019;
- Added language to provide bonding authority up to an additional \$400.0 million, at the discretion of the Secretary of Transportation, for reconstruction and maintenance of existing highways over the course of FY 2018 and FY 2019;
- Added language limiting total debt issuance for the T-WORKS program to \$1.7 billion for FY 2018 and FY 2019; and
- Added \$1.2 million, all from special revenue funds, for a 2.5 percent adjustment for all state employees with less than five years of service (except for Highway Patrol law enforcement personnel, legislators, teachers and licensed personnel and employees at the Schools for the Deaf and the Blind, employees at the Kansas Bureau of Investigation who are part of the Recruitment and Retention Plan, and other statewide elected officials); a 5.0 percent adjustment for state employees who have not had a pay adjustment in five years; and a 2.5 percent adjustment for judges and non-judicial staff for FY 2018 and FY 2019.

The **2018 Legislature** took the following actions on the agency's budget:

- Added \$5.4 million for increases in debt service interest expenditures related to the issuance of \$200.0 million for projects in FY 2018, and added \$15.0 million for FY 2019 related to the issuance of the remaining \$200.0 million;
- Added language limiting the remaining \$200.0 million in bonding authority over the course of FY 2018 and FY 2019 to apply to net proceeds of bond issuance and not solely the principal amount of the bond issuance in FY 2018 and for FY 2019;
- Added language to do the following: review the 23 T-WORKS projects that were delayed to check their priority; meet with the local government officials confirming that such project continues to be the local government's priority project (no substitutions); upon finalizing the 23 projects, implement the bidding process in the most cost-effective manner (do not require bundling); and provide an update report to the 2019 Legislature on the implementation of the projects required by this subsection;
- Passed 2018 House Sub. for SB 391, which establishes the Joint Legislative Transportation Vision Task Force; and
- Passed 2018 SB 375, which designates portions of highways in Kansas as memorial highways in honor of Kansas Highway Patrol officers and a Johnson County deputy sheriff killed in the line of duty, amended several current designations, and added language that a commemorative sign shall include certain information about rank or title.

The **2019 Legislature** took the following actions on the agency's budget:

- Transferred \$50.0 million from the SGF to the State Highway Fund in FY 2019. The amount transferred was based upon the amount that SGF revenues during FY 2019 exceeded the Consensus Revenue Estimates for FY 2019, with a 25.0 percent match required for funds transferred. The amount transferred was not to exceed \$50.0 million. Actual SGF revenues exceeded estimates in FY 2019 and satisfied and provided for the complete transfer of \$50.0 million from the SGF to the State Highway Fund;
- The Legislature added \$6.4 million, all from the State Highway Fund, for the acceleration of delayed T-WORKS projects for FY 2020. Funding for this acceleration comes from reducing transfers from the State Highway Fund to the SGF for FY 2020;
- The Legislature provided \$978,500, all from the operations account of the State Highway Fund, for additional information technology modernization funding for FY 2020;
- The Legislature budgeted \$160.0 million, all from special revenue funds, coming from reduced transfers from the State Highway Fund, for additional transportation investments for FY 2020; and
- The Legislature added \$3.3 million, all from special revenue funds, for a 2.5 percent salary adjustment for most state employees for FY 2020.

The **2020 Legislature** took the following actions on the agency's budget:

- The Legislature added language in SB 66 directing the agency to place a State Capitol visitors center sign at the 8th Avenue exit on I-70 in Topeka, and to replace the State Capitol sign at the 10th Avenue exit on I-70 in Topeka with a sign for the Kansas Judicial Center on or before January 1, 2021; and
- The Legislature adjusted the primary transfer in SB 66 from the State Highway Fund to the SGF to delete \$25.0 million from the total transfer amount for FY 2021. This will reduce the FY 2021 transfer from \$158,700,000 to \$133,700,000.

## **BUDGET SUMMARY AND KEY POINTS**

**FY 2021 – Current Year.** The **agency** requests a revised estimate for an FY 2021 reportable budget of \$1.9 billion, all from special revenue funds. This is an increase of \$268.9 million, or 17.0 percent, above the FY 2021 approved amount. Changes from the FY 2021 amount approved by the 2020 Legislature include increases within contractual services (\$15.3 million), other assistance (\$54.2 million), and capital improvements (\$222.4 million). These increases are partially offset by decreases in salaries and wages (\$3.2 million), commodities (\$4.3 million), capital outlay (\$566,661), and aid to local units of government (\$15.0 million). This is the first year of the Eisenhower Legacy Transportation Program and the continuation of current and planned project expenditures and reflects the agency's best estimate as to projected expenditure schedules. The FY 2021 revised estimate includes salaries and wages expenditures of \$150.4 million, which is a decrease of \$3.2 million, or 2.1 percent, below the FY

2021 approved amount. The FY 2021 revised estimate includes plans to let approximately \$445.9 million in Preservation projects and \$295.4 million in Expansion and Modernization projects. The revised FY 2021 estimate includes 2,250.3 FTE positions, which is a decrease of 100.7 FTE positions from the approved number. The agency notes that the previous year's budget included unfunded vacant positions, and this year's budget does not include any unfunded vacant positions. In addition, the agency has relied more on contractual engineering services to provide current service levels while the agency works through difficulty in recruiting and retaining certain positions.

The **Governor** recommends FY 2021 reportable expenditures totaling \$1.9 billion, all from special revenue funds. The recommendation is an all funds increase of \$18.5 million, or 1.0 percent, above the agency's revised FY 2021 estimate. Recommended adjustments to the agency's revised FY 2021 estimate include:

- Adding \$100,000, all from the Driver's Education Scholarship Grant (DESG) Fund, for the DESG Program;
- Adding \$17.9 million, all from the Special City and County Highway Fund, to reflect the most recent estimated revenues and expenditures by the November 2020 Highway Consensus Revenue Estimating group in FY 2021;
- Adding \$10,094, all from the County Equalization and Adjustment Fund; and
- Adding \$500,000, all from the federal Coronavirus Relief Fund, to reflect round 3 funding in FY 2021.

**FY 2022 – Budget Year.** The **agency** requests an FY 2022 reportable budget of \$2.2 billion, all from special revenue funds. This is an increase of \$363.9 million, or 19.6 percent, above the FY 2021 revised estimate. Changes from the FY 2021 revised estimate include increases in contractual services (\$12.0 million), salaries and wages (\$1.5 million), aid to local units of government (\$20.7 million), and capital improvements (\$392.9 million). These increases are partially offset by decreases in other assistance (\$57.8 million), debt service interest (\$6.0 million), and capital outlay (\$117,330). This is the second year of the Eisenhower Legacy Transportation Program and the continuation of current and planned project expenditure and reflects the agency's best estimate as to projected expenditure schedules. The FY 2022 request includes salaries and wages expenditures of \$151.9 million, which is an increase of \$1.5 million, or 1.0 percent, above the FY 2021 revised estimate. The FY 2022 request includes 2,250.3 FTE positions, which is no change from the number included in the FY 2021 revised estimate. The budget increase is mainly attributable to increased construction expenditures. The agency's FY 2022 budget request includes plans to let approximately \$483.9 million in Preservation projects and \$642.3 million in Expansion and Modernization projects.

The **Governor** recommends FY 2022 reportable expenditures totaling \$2.2 billion, all from special revenue funds. The recommendation is an all funds increase of \$335.7 million above the FY 2021 recommendation, but a decrease of \$10.0 million, or 0.5 percent, below the agency's FY 2022 request. Recommended adjustments to the agency's FY 2022 request include:

- Adding \$100,000, all from the Driver's Education Scholarship Grant (DESG) Fund, for the DESG Program;

- Deleting \$10.1 million, all from the Special City and County Highway Fund, to reflect the most recent estimated revenues and expenditures by the November 2020 Highway Consensus Revenue Estimating group for FY 2022; and
- Reducing the primary transfer from the State Highway Fund to the SGF from the FY 2021 approved amount of \$133.7 million down to \$66.85 million (50.0 percent) for FY 2022.

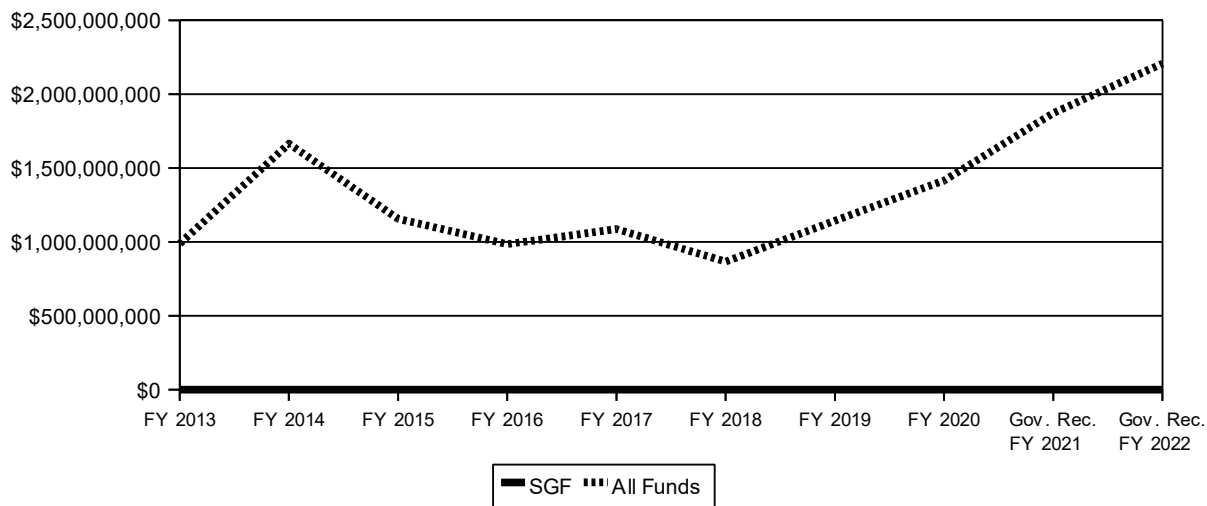
# PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Percent of Interstate Miles on the State Highway System That Are Classified as "Good"	67.0 %	66.0 %	65.0 %	62.0 %	62.0 %	65.0 %
Percent of Non-interstate Miles on the State Highway System That Are Classified as "Good"	64.0 %	61.0 %	55.0 %	62.0 %	64.0 %	64.0 %
Percentage of Highway Construction Projects Completed on Time or Early	96.0 %	99.0 %	100.0 %	98.0 %	98.0 %	98.0 %
Number of Preservation Miles Programmed for Construction	1,860	1,663	1,923	1,885	1,839	1,895
<b>Agency Expenditures</b>						
All Funds (Dollars in Billions)	\$ 0.9	\$ 1.1	\$ 1.5	\$ 2.2	\$ 2.1	\$ 2.4
FTE Positions	2,355.3	2,351.0	2,351.0	2,351.0	2,250.0	2,250.0

# BUDGET TRENDS

## OPERATING EXPENDITURES - REPORTABLE FY 2013 – FY 2022



## OPERATING EXPENDITURES - REPORTABLE FY 2013 – FY 2022

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2013	\$ 0	-- %	\$ 987,928,803	(20.0)%	2,880.5
2014	0	--	1,663,870,780	68.4	2,737.5
2015	0	--	1,155,650,548	(30.5)	2,737.5
2016	0	--	984,172,447	(14.8)	2,515.6
2017	0	--	1,086,280,648	10.4	2,310.0
2018	0	--	866,154,640	(20.3)	2,355.3
2019	0	--	1,142,395,819	31.9	2,351.0
2020	0	--	1,414,847,339	23.8	2,351.0
2021 Gov. Rec.	0	--	1,871,836,856	32.3	2,250.3
2022 Gov. Rec.	0	--	2,207,278,295	17.9	2,250.3
Ten-Year Change Dollars/Percent	\$ 0	-- %	\$ 1,219,349,492	123.4 %	(630.2)



Summary of Operating Budget FY 2020 - FY 2022

	Agency Estimate			Governor's Recommendation					
	Actual FY 2020	Estimate FY 2021	Request FY 2022	Dollar Change from FY 21	Percent Change from FY 21	Rec. FY 2021	Rec. FY 2022	Dollar Change from FY 21	Percent Change from FY 21
<b>By Program:</b>									
Administration	\$ 45,456,869	\$ 54,513,254	\$ 54,928,924	\$ 415,670	0.8 %	\$ 54,513,254	\$ 54,928,924	\$ 415,670	0.8 %
Trans. Plan. & Mod. Sup.	62,930,580	118,242,334	79,868,329	(38,374,005)	(32.5)	118,342,334	79,968,329	(38,374,005)	(32.4)
Local Support	184,754,236	158,413,061	186,895,964	28,482,903	18.0	176,313,591	176,809,692	496,101	0.3
Maintenance	133,562,638	157,821,920	159,854,307	2,032,387	1.3	157,821,920	159,854,307	2,032,387	1.3
Construction	978,394,796	1,334,647,147	1,735,717,043	401,069,896	30.1	1,334,647,147	1,735,717,043	401,069,896	30.1
COVID-19	9,748,220	29,698,610	-	(29,698,610)	(100.0)	30,198,610	0	(30,198,610)	(100.0)
<b>Subtotal - Reportable</b>	<b>\$ 1,414,847,339</b>	<b>\$ 1,853,336,326</b>	<b>\$ 2,217,264,567</b>	<b>\$ 363,928,241</b>	<b>19.6 %</b>	<b>\$ 1,871,836,856</b>	<b>\$ 2,207,278,295</b>	<b>\$ 335,441,439</b>	<b>17.9 %</b>
Administration	\$ 23,376	\$ 251,000	\$ 251,000	\$ 0	0.0 %	\$ 251,000	\$ 251,000	\$ 0	0.0 %
Trans. Plan. & Mod. Sup.	6,481,767	2,850,000	2,875,000	25,000	0.9	2,850,000	2,875,000	25,000	0.9
Local Support	0	0	0	0	--	0	0	0	--
Maintenance	1,811,565	1,400,000	1,400,000	0	0.0	1,400,000	1,400,000	0	0.0
Construction	754,503,657	211,885,933	212,148,901	262,968	0.1	211,885,933	212,148,901	262,968	0.1
<b>Subtotal - Non-report</b>	<b>\$ 762,820,365</b>	<b>\$ 216,386,933</b>	<b>\$ 216,674,901</b>	<b>\$ 287,968</b>	<b>0.1 %</b>	<b>\$ 216,386,933</b>	<b>\$ 216,674,901</b>	<b>\$ 287,968</b>	<b>0.1 %</b>
<b>TOTAL</b>	<b>\$ 2,177,667,704</b>	<b>\$ 2,069,723,259</b>	<b>\$ 2,433,939,468</b>	<b>\$ 364,216,209</b>	<b>17.6 %</b>	<b>\$ 2,088,223,789</b>	<b>\$ 2,423,953,196</b>	<b>\$ 335,729,407</b>	<b>16.1 %</b>
<b>By Major Object of Expenditure:</b>									
Salaries and Wages	\$ 141,693,642	\$ 150,435,802	\$ 151,924,522	\$ 1,488,720	1.0 %	\$ 150,435,802	\$ 151,924,522	\$ 1,488,720	1.0 %
Contractual Services	119,968,047	167,916,286	179,902,315	11,986,029	7.1	167,916,286	179,902,315	11,986,029	7.1
Commodities	33,596,724	43,626,996	44,358,482	731,486	1.7	43,826,996	44,358,482	531,486	1.2
Capital Outlay	12,175,030	21,767,690	21,650,360	(117,330)	(0.5)	22,067,690	21,650,360	(417,330)	(1.9)
Debt Service	92,088,316	86,250,587	80,295,095	(5,955,492)	(6.9)	86,250,587	80,295,095	(5,955,492)	(6.9)
<b>Subtotal - Operations</b>	<b>\$ 399,521,759</b>	<b>\$ 469,997,361</b>	<b>\$ 478,130,774</b>	<b>\$ 8,133,413</b>	<b>1.7 %</b>	<b>\$ 470,497,361</b>	<b>\$ 478,130,774</b>	<b>\$ 7,633,413</b>	<b>1.6 %</b>
Aid to Local Units	\$ 203,095,964	\$ 195,508,592	\$ 216,202,243	\$ 20,693,651	10.6	\$ 213,409,122	\$ 206,115,971	\$ (7,293,151)	(3.4)
Other Assistance	43,171,203	100,119,565	42,333,524	(57,786,041)	(57.7)	100,219,565	42,433,524	(57,786,041)	(57.7)
Capital Improvements	769,058,413	1,087,710,808	1,480,598,026	392,887,218	36.1	1,087,710,808	1,480,598,026	392,887,218	36.1
<b>Subtotal - Reportable</b>	<b>\$ 1,414,847,339</b>	<b>\$ 1,853,336,326</b>	<b>\$ 2,217,264,567</b>	<b>\$ 363,928,241</b>	<b>19.6 %</b>	<b>\$ 1,871,836,856</b>	<b>\$ 2,207,278,295</b>	<b>\$ 335,441,439</b>	<b>17.9 %</b>
Non-reportable	762,820,365	216,386,933	216,674,901	287,968	0.1	216,386,933	216,674,901	287,968	0.1
<b>TOTAL</b>	<b>\$ 2,177,667,704</b>	<b>\$ 2,069,723,259</b>	<b>\$ 2,433,939,468</b>	<b>\$ 364,216,209</b>	<b>17.6 %</b>	<b>\$ 2,088,223,789</b>	<b>\$ 2,423,953,196</b>	<b>\$ 335,729,407</b>	<b>16.1 %</b>
<b>Financing:</b>									
State Highway Fund	\$ 1,005,727,141	\$ 1,402,259,922	\$ 1,816,892,386	\$ 414,632,464	29.6 %	\$ 1,402,259,922	\$ 1,816,892,386	\$ 414,632,464	29.6 %
All Other Funds	409,120,198	451,076,404	400,372,181	(50,704,223)	(11.2)	469,576,934	390,385,909	(79,191,025)	(16.9)
<b>Subtotal - Reportable</b>	<b>1,414,847,339</b>	<b>1,853,336,326</b>	<b>2,217,264,567</b>	<b>363,928,241</b>	<b>19.6</b>	<b>1,871,836,856</b>	<b>2,207,278,295</b>	<b>335,441,439</b>	<b>17.9</b>
State Highway Fund	683,757,552	212,746,933	213,009,901	262,968	0.1	212,746,933	213,009,901	262,968	0.1
All Other Funds	79,062,813	3,640,000	3,665,000	25,000	0.7	3,640,000	3,665,000	25,000	0.7
<b>Subtotal - Non-report</b>	<b>762,820,365</b>	<b>\$ 216,386,933</b>	<b>216,674,901</b>	<b>287,968</b>	<b>0.1</b>	<b>216,386,933</b>	<b>216,674,901</b>	<b>287,968</b>	<b>0.1</b>
<b>TOTAL</b>	<b>\$ 2,177,667,704</b>	<b>\$ 2,069,723,259</b>	<b>\$ 2,433,939,468</b>	<b>\$ 364,216,209</b>	<b>17.6 %</b>	<b>\$ 2,088,223,789</b>	<b>\$ 2,423,953,196</b>	<b>\$ 335,729,407</b>	<b>16.1 %</b>

# BUDGET OVERVIEW

## A. FY 2021 – Current Year

### Adjustments to Approved State General Fund Budget

The agency’s revised estimate does not include any State General Fund (SGF) expenditures.

CHANGE FROM APPROVED BUDGET					
	Legislative Approved FY 2021	Agency Estimate FY 2021	Agency Change from Approved	Governor Rec. FY 2021	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	1,584,443,462	1,853,336,326	268,892,864	1,871,836,856	287,393,394
<b>TOTAL</b>	<b>\$ 1,584,443,462</b>	<b>\$ 1,853,336,326</b>	<b>\$ 268,892,864</b>	<b>\$ 1,871,836,856</b>	<b>\$ 287,393,394</b>
FTE Positions	2,351.0	2,250.3	(100.7)	2,250.3	(100.7)

The **agency** requests a revised estimate for an FY 2021 reportable budget of \$1.9 billion, all from special revenue funds. This is an increase of \$268.9 million, or 17.0 percent, above the FY 2021 approved amount. Changes from the FY 2021 amount approved by the 2020 Legislature include increases within contractual services (\$15.3 million), other assistance (\$54.2 million), and capital improvements (\$222.4 million). These increases are partially offset by decreases in salaries and wages (\$3.2 million), commodities (\$4.3 million), capital outlay (\$566,661), and aid to local units of government (\$15.0 million). This is the first year of the Eisenhower Legacy Transportation Program and the continuation of current and planned project expenditures and reflects the agency’s best estimate as to projected expenditure schedules. The FY 2021 revised estimate includes salaries and wages expenditures of \$150.4 million, which is a decrease of \$3.2 million, or 2.1 percent, below the FY 2021 approved amount. The revised FY 2021 estimate includes 2,250.3 FTE positions, which is a decrease of 100.7 FTE positions from the approved number. The agency notes that the previous year’s budget included unfunded vacant positions, and this year’s budget does not include any unfunded vacant positions. In addition, the agency has relied more on contractual engineering services to provide current service levels while the agency works through difficulty in recruiting and retaining certain positions. The FY 2021 revised estimate includes plans to let approximately \$445.9 million in Preservation projects and \$295.4 million in Expansion and Modernization projects. Expenditures are detailed by major category below:

- **Salaries and Wages.** The agency estimates revised FY 2021 salaries and wages expenditures of \$150.4 million, all from special revenue funds. This is an all funds decrease of \$3.2 million, or 2.1 percent, below the FY 2021 approved amount. The all funds decrease is primarily due to decreases in unclassified temporary salaries (\$2.1 million), classified regular salaries (\$1.7 million), employer contributions to KPERS (\$1.4 million) and unclassified overtime pay (\$367,621). These decreases are partially offset by a primary increase in unclassified regular pay (\$2.7 million). The agency states that this decrease also

reflects the agency's staffing plans with relation to the need for contractual engineering services with the implementation of the IKE program;

- **Contractual Services.** The agency estimates revised FY 2021 contractual services expenditures of \$167.9 million, all from special revenue funds. This is an all funds increase of \$15.3 million, or 10.0 percent, above the FY 2021 approved amount. The increase is primarily due to increases in payments to architects and engineers (\$13.5 million), and fees for other services (\$1.5 million). These increases are part of anticipated increases for contractual engineering services and the implementation of the KIE program;
- **Commodities.** The agency estimates revised FY 2021 commodities expenditures of \$43.6 million, all from special revenue funds. This is an all funds decrease of \$4.3 million, or 8.9 percent, below the FY 2021 approved amount. The decrease is primarily due to reductions in motor vehicle parts, supplies, and accessories (\$2.3 million), and maintenance and construction materials, supplies, and parts (\$2.2 million). These decreases are partially offset by an increase in clothing expenditures (\$201,010);
- **Capital Outlay.** The agency estimates revised FY 2021 capital outlay expenditures of \$21.8 million, all from special revenue funds. This is an all funds decrease of \$566,661, or 2.5 percent, below the FY 2021 approved amount. The decrease is primarily due to expenditures on trucks (\$581,879);
- **Debt Service.** The agency estimates revised FY 2021 debt service expenditures of \$86.3 million, all from special revenue funds. This is no change from the FY 2021 approved amount;
- **Aid to Local Units of Government.** The agency estimates revised FY 2021 aid to local units of government expenditures of \$195.5 million, all from special revenue funds. This is an all funds decrease of \$15.0 million, or 7.1 percent, below the FY 2021 approved amount. This decrease is primarily due to decreases to shared revenue (\$28.3 million) and federal aid (\$83,000). This decrease is partially offset by an increase to state aid to local units of government (\$13.4 million) The decrease of \$28.3 million is a result of internal agency revised estimates from motor fuels taxes that resulted in a decrease to Special City and County Highway Fund expenditures. The reduction of \$83,000 in federal aid represents revised estimates for federal safety funds. The \$13.4 million increase is composed of \$3.0 million for the Transportation Technology Development Fund expenditures, \$5.0 million for the Broadband Infrastructure Construction Grant Fund, and \$5.4 million represents expenditures associated with spending down of the Coordinated Public Transportation Assistance Fund;
- **Other Assistance.** The agency estimates revised FY 2021 other assistance expenditures of \$100.1 million, all from special revenue funds. This is an increase of \$54.2 million, or 118.1 percent, above the FY 2021 approved amount. This increase is due to state aid (\$41.3 million) and federal aid expenditures (\$12.9 million). The agency states that this increases is primarily attributable to three factors including: 1) for rural transit CARES Act funds; 2) an increase for an anticipated rail project that includes federal funding; and 3) \$5.0 million for the Short Line Rail Improvement Fund as part of the IKE program; and

- **Capital Improvements.** The agency estimates revised FY 2021 capital improvements expenditures of \$1.1 billion, all from special revenue funds. This is an all funds increase of \$222.4 million, or 25.7 percent, above the FY 2021 approved amount. This amount includes \$121.4 million in debt service principal, and \$966.4 million in capital improvements expenditures. The agency states that these increases includes finishing the letting of delayed T-WORKS projects as well as starting new IKE modernization and expansion projects.

The agency's FY 2021 revised estimate includes federal and local aid reimbursement estimates of \$465.3 million. This is an increase of \$38.2 million, or 9.0 percent, above the FY 2020 actual amount.

The **Governor** recommends FY 2021 reportable expenditures totaling \$1.9 billion, all from special revenue funds. The recommendation is an all funds increase of \$18.5 million, or 1.0 percent, above the agency's revised FY 2021 estimate. Recommended adjustments to the agency's revised FY 2021 estimate include:

- Adding \$100,000, all from the Driver's Education Scholarship Grant (DESG) Fund, for the DESG Program;
- Adding \$17.9 million, all from the Special City and County Highway Fund, to reflect the most recent estimated revenues and expenditures by the November 2020 Highway Consensus Revenue Estimating group in FY 2021;
- Adding \$10,094, all from the County Equalization and Adjustment Fund; and
- Adding \$500,000, all from the federal Coronavirus Relief Fund, to reflect expenditures for computers and other-related equipment for teleworking (\$300,000), personal protective equipment, and cleaning supplies (\$200,000) awarded by the State Finance Council in FY 2021.

## B. FY 2022 – Budget Year

<b>FY 2022 REPORTABLE BUDGET SUMMARY</b>			
	Agency Request	Governor's Recommendation	Difference
<b>Total Request/Recommendation</b>	\$ 2,217,264,567	\$ 2,207,278,295	\$ (9,986,272)
<b>FTE Positions</b>	2,250.3	2,250.3	0.0
<b>Change from FY 2021:</b>			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	363,928,241	335,441,439	
<b>TOTAL</b>	<b>\$ 363,928,241</b>	<b>\$ 335,441,439</b>	
<i>Percent Change:</i>			
State General Fund	0.0 %	0.0 %	
All Other Funds	19.6	17.9	
<b>TOTAL</b>	<b>19.6 %</b>	<b>17.9 %</b>	
Change in FTE Positions	0.0	0.0	

The **agency** requests an FY 2022 reportable budget of \$2.2 billion, all from special revenue funds. This is an increase of \$363.9 million, or 19.6 percent, above the FY 2021 revised estimate. This is the second year of the Eisenhower Legacy Transportation Program and the continuation of current and planned project expenditures and reflects the agency's best estimate as to projected expenditure schedules. The FY 2022 request includes salaries and wages expenditures of \$151.9 million, which is an increase of \$1.5 million, or 1.0 percent, above the FY 2021 revised estimate. The FY 2022 request includes 2,250.3 FTE positions, which is no change from the FY 2021 revised estimate. The budget increase is mainly attributable to increased construction expenditures. The agency's budget includes plans to let approximately \$483.9 million in Preservation projects and \$642.3 million in Expansion and Modernization projects.

The agency's budget request includes federal and local aid reimbursement estimates totaling \$414.4 million. This is a decrease of \$50.9 million, or 11.0 percent, below the FY 2021 revised estimate.

### Adjustments by Program

- **Administration.** This is an all funds increase of \$415,670, or 0.8 percent, above the FY 2021 revised estimate. The increase is primarily attributable to increases in salaries and wages (\$279,684) and contractual services (\$385,073). This increase is partially offset by decreases in capital outlay (\$181,086) and commodities (\$68,001). The agency's FY 2022 request for this program includes 371.8 FTE positions;
- **Transportation Planning and Modal Support.** This is a decrease of \$38.4 million, or 32.5 percent, below the FY 2021 revised estimate. The decrease is

due to expenditures for contractual services (\$2.6 million), aid to local units of government (\$7.8 million), and other assistance (\$28.1 million). The agency's FY 2022 request for this program includes 80.0 FTE positions;

- **Local Support.** This is an all funds increase of \$28.5 million, or 18.0 percent, above the FY 2021 revised estimate. The primary increase occurs within expenditures for aid to local units of government (\$28.5 million). The agency's FY 2022 request for this program includes 18.0 FTE positions;
- **Maintenance.** This is an all funds increase of \$2.0 million, or 1.3 percent, above the FY 2021 revised estimate. This increase occurs within expenditures for commodities (\$786,284), salaries and wages (\$683,842), and contractual services (\$654,331). The agency's FY 2022 request for this program includes 1,166.0 FTE positions; and
- **Construction.** The agency requests FY 2022 reportable operating expenditures totaling \$1.9 billion, all from special revenue funds, for the Construction program. This amount includes operations expenditures totaling \$255.1 million and capital improvements totaling \$1.5 million for the Construction program. Operations expenditures are an all funds increase of \$8.2 million, or 3.3 percent, above the FY 2021 revised estimate. The increase primarily occurs within contractual services (\$13.5 million) and salaries and wages (\$445,837) and is partially offset by a decrease to debt service interest expenditures (\$6.0 million). Capital improvements expenditures are an increase of \$392.9 million, or 36.1 percent, above the FY 2021 revised estimate. This increase includes finishing the letting of delayed T-WORKS projects as well as starting new IKE modernization and expansion projects. The agency's FY 2022 request for this program includes 614.5 FTE positions.

The **Governor** recommends FY 2022 reportable expenditures totaling \$2.2 billion, all from special revenue funds. The recommendation is an all funds increase of \$335.7 million above the FY 2021 recommendation, but a decrease of \$10.0 million, or 0.5 percent, below the agency's FY 2022 request. Recommended adjustments to the agency's FY 2022 request include:

- Adding \$100,000, all from the Driver's Education Scholarship Grant (DESG) Fund, for the DESG Program;
- Deleting \$10.1 million, all from the Special City and County Highway Fund, to reflect the most recent estimated revenues and expenditures by the November 2020 Highway Consensus Revenue Estimating group for FY 2022; and
- Reducing the primary transfer from the State Highway Fund to the SGF from the FY 2021 approved amount of \$133.7 million down to \$66.85 million (50.0 percent) for FY 2022.



## Governor's Recommended Salary and Wage Adjustments

**For FY 2022**, the Governor recommends adding \$31.5 million, including \$11.3 million SGF, for a 2.5 percent state employee base pay adjustment. The plan would increase salaries for classified and unclassified employees in the Executive Branch, Legislative Branch, and Judicial Branch. Legislative and elected officials would be excluded from this salary adjustment. The funds would be appropriated to and certified for distribution by the State Finance Council if approved. Employees of state universities are also not included in the proposed pay plan; however, the Governor recommends adding \$10.4 million, all SGF, to the university operating grants. This amount is equivalent to what the pay plan would have provided for university employees, but the funds are included in the Kansas Board of Regents budget for use at their discretion.

**Longevity Bonus Payments.** In FY 2021 and for FY 2022, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2021 payment is \$3.0 million, including \$1.1 million SGF. For FY 2022, the estimated cost is \$3.1 million, including \$1.1 million SGF. **For this agency, FY 2021 longevity payments total \$200,120, all from special revenue funds, and FY 2022 longevity payments total \$205,040, all from special revenue funds.**

**Kansas Public Employees Retirement System (KPERs).** The employer retirement contribution rate, including Death and Disability contributions, for the KPERs State and School Group is scheduled to be 14.23 percent in FY 2021 and 15.09 percent for FY 2022. The FY 2021 rate excludes the 1.0 percent KPERs Death and Disability contribution that is currently subject to a moratorium described below.

The Governor recommends the KPERs State and School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 25 years beginning in FY 2022, an extension of 10 years to the current plan. Reamortization would reduce employer contributions for the KPERs State and School Group in the short term. It is estimated that resetting the amortization period to 25 years could produce budget savings of \$177.3 million, including \$158.7 million SGF, for FY 2022. The Governor's recommendation would also incorporate \$25.8 million in KPERs layering payments into the amortization schedules. **No savings from this policy are currently included in this agency's budget.**

**KPERs Death and Disability Group Insurance Fund.** During FY 2021, a moratorium on employer contributions to the KPERs Death and Disability Group Insurance Fund was in effect. The fund had a sufficient balance to suspend payments on a temporary basis without affecting employee benefits. The moratorium was implemented *via* the Governor's allotment authority; therefore, the Legislative and Judicial branches are currently excluded from the moratorium. The total savings for the moratorium are estimated at \$46.7 million in contributions from the SGF. Included in this amount were savings of approximately \$40.3 million from KPERs School Group contributions in the Kansas State Department of Education budget. No similar moratorium is proposed for FY 2022, requiring the addition of \$46.7 million to annualize the payments for the full fiscal year.

## Funding Sources

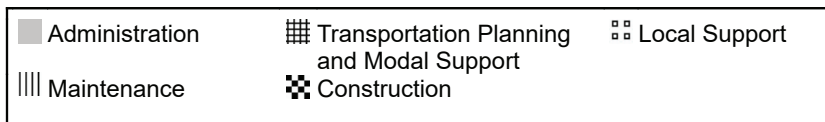
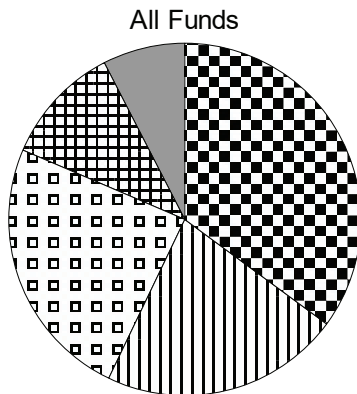
Funding Source	Agency Req. Percent of Total FY 2022	Gov. Rec. Percent of Total FY 2022
State Highway Fund	81.9 %	82.3 %
Highway Bonds Debt Service	9.4	9.4
Special City and County Highway Fund	7.0	6.5
Coordinated Public Transportation Assistance	0.4	0.4
Rail Service Improvement Fund	0.3	0.3
All Other Funds	1.0	1.0
<b>TOTAL</b>	<b>100.0 %</b>	<b>100.0 %</b>

(Note: Totals may not add due to rounding.)

# PROGRAM DETAIL

## Reportable Operating Expenditures by Program

### Governor's FY 2022 Recommendation



Program	Gov. Rec. All Funds FY 2022	Percent of Total	Gov. Rec. SGF FY 2022	Percent of Total
Administration	\$ 54,928,924	7.6 %	\$ 0	-- %
Transportation Planning and Modal Support	79,968,329	11.0	0	--
Local Support	176,809,692	24.3	0	--
Maintenance	159,854,307	22.0	0	--
Construction	255,119,017	35.1	0	--
<b>TOTAL</b>	<b>\$ 726,680,269</b>	<b>100.0 %</b>	<b>\$ 0</b>	<b>-- %</b>

<b>FTE POSITIONS BY PROGRAM FY 2020 – FY 2022</b>					
<b>Program</b>	<b>Actual FY 2020</b>	<b>Agency Est. FY 2021</b>	<b>Gov. Rec. FY 2021</b>	<b>Agency Req. FY 2022</b>	<b>Gov. Rec. FY 2022</b>
Administration	360.8	371.8	371.8	371.8	371.8
Transportation Planning and Modal Support	81.0	80.0	80.0	80.0	80.0
Local Support	21.0	18.0	18.0	18.0	18.0
Maintenance	1,244.0	1,166.0	1,166.0	1,166.0	1,166.0
Construction	644.2	614.5	614.5	614.5	614.5
<b>TOTAL</b>	<b>2,351.0</b>	<b>2,250.3</b>	<b>2,250.3</b>	<b>2,250.3</b>	<b>2,250.3</b>

(Note: For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.)

### **A. Administration**

The stated goal of the Administration program is to provide the direction, planning, coordination, communication, and administrative support that foster an integrated, multi-modal transportation system to meet the needs of Kansas. KDOT maintains a central office with the state divided into six districts. This program coordinates public outreach through media, legislative, and intergovernmental relations. To achieve these goals, the management program is composed of the following three subprograms: Administration, Office of the Secretary, and Operations Support.

<b>PERFORMANCE MEASURES</b>						
<b>Measure</b>	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Gov. Rec. FY 2020</b>	<b>Actual FY 2020</b>	<b>Gov. Rec. FY 2021</b>	<b>Gov. Rec. FY 2022</b>
Percent of Bridges on the State Highway System in "Good" Condition	75.0 %	72.0 %	71.0 %	71.0 %	70.0 %	69.0 %
Percent of Interstate Miles on the State Highway System That Are Classified as "Good"	67.0 %	66.0 %	65.0 %	62.0 %	62.0 %	65.0 %
Percent of Non-interstate Miles on the State Highway System That Are Classified as "Good"	64.0 %	61.0 %	55.0 %	62.0 %	64.0 %	64.0 %
Number of Lost Time Accidents	24	25	20	56	50	45
<b>Agency Expenditures</b>						
All Funds (Dollars in Millions)	\$ 38.7	\$ 40.3	\$ 52.6	\$ 45.5	\$ 54.5	\$ 54.9
FTE Positions	348.0	349.5	360.8	360.8	371.8	371.8

**ADMINISTRATION  
SUMMARY OF EXPENDITURES FY 2020 – FY 2022**

Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
<b>Expenditures:</b>					
Salaries and Wages	\$ 26,116,317	\$ 29,138,293	\$ 29,138,293	\$ 29,417,977	\$ 29,417,977
Contractual Services	17,299,692	22,865,481	22,865,481	23,250,554	23,250,554
Commodities	413,955	1,015,588	1,015,588	947,587	947,587
Capital Outlay	287,488	843,892	843,892	662,806	662,806
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 44,117,452</u>	<u>\$ 53,863,254</u>	<u>\$ 53,863,254</u>	<u>\$ 54,278,924</u>	<u>\$ 54,278,924</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	1,339,417	650,000	650,000	650,000	650,000
Capital Improvements	0	0	0	0	0
Reportable Exp.	<u>\$ 45,456,869</u>	<u>\$ 54,513,254</u>	<u>\$ 54,513,254</u>	<u>\$ 54,928,924</u>	<u>\$ 54,928,924</u>
Non-reportable Exp.	<u>23,376</u>	<u>251,000</u>	<u>251,000</u>	<u>251,000</u>	<u>251,000</u>
<b>TOTAL</b>	<b><u>\$ 45,480,245</u></b>	<b><u>\$ 54,764,254</u></b>	<b><u>\$ 54,764,254</u></b>	<b><u>\$ 55,179,924</u></b>	<b><u>\$ 55,179,924</u></b>
<b>Financing:</b>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	<u>45,456,869</u>	<u>54,513,254</u>	<u>54,513,254</u>	<u>54,928,924</u>	<u>54,928,924</u>
Reportable Exp.	<u>\$ 45,456,869</u>	<u>\$ 54,513,254</u>	<u>\$ 54,513,254</u>	<u>\$ 54,928,924</u>	<u>\$ 54,928,924</u>
Non-reportable Exp.	<u>23,376</u>	<u>251,000</u>	<u>251,000</u>	<u>251,000</u>	<u>251,000</u>
<b>TOTAL</b>	<b><u>\$ 45,480,245</u></b>	<b><u>\$ 54,764,254</u></b>	<b><u>\$ 54,764,254</u></b>	<b><u>\$ 55,179,924</u></b>	<b><u>\$ 55,179,924</u></b>
FTE Positions	360.8	371.8	371.8	371.8	371.8

The **agency** requests FY 2022 reportable operating expenditures totaling \$54.9 million, all from special revenue funds, for the Administration program. This is an all funds increase of \$415,670, or 0.8 percent, above the FY 2021 revised estimate. The increase is primarily attributable to increases in salaries and wages (\$279,684), and contractual services (\$385,073). This increase is partially offset by decreases in capital outlay (\$181,086) and commodities (\$68,001). The agency's FY 2022 request includes 371.8 FTE positions, which is no change from the FY 2021 revised estimate. The Administration budget includes the new position of Director of Safety as well as plans to hire a new, full-time intern that were not included in last year's submission. The request is detailed below by major category of expenditure:

- **Salaries and Wages.** The agency requests expenditures of \$29.4 million, all from special revenue funds, to fund 371.8 FTE positions for FY 2022. The request is an all funds increase of \$279,684, or 1.0 percent, above the FY 2021 revised estimate. Expenditure increases occur in employer contributions to both state employee retirement (\$175,754) and group health insurance (\$101,075), as well as unemployment compensation (\$2,069);
- **Contractual Services.** The agency requests expenditures of \$23.3 million, all from special revenue funds, for FY 2022. This request is an all funds increase of \$385,073, or 1.7 percent, above the FY 2021 revised estimate. Expenditure increases occur in computer programming operations (\$136,942), communications (\$117,622), other fees for: monumental building surcharge/NAPA contract/ and Wireless Watchdog contract (\$46,852), rents (\$36,470), and job-related training and conference registrations (\$20,251).

These increases are partially offset by decreases in repairing and servicing (\$61,238);

- **Commodities.** The agency requests expenditures of \$947,587, all from special revenue funds, for FY 2022. The request is an all funds decrease of \$68,001, or 6.7 percent, below the FY 2021 revised estimate. An expenditure decrease occurs in clothing expenditures (\$74,095). This decrease is offset in part by increases to gasoline (\$5,677), and stationery and office and data supplies (\$6,353);
- **Capital Outlay.** The agency requests expenditures of \$662,806, all from special revenue funds, for FY 2022. This request is an all funds decrease of \$181,086, or 21.5 percent, below the FY 2021 revised estimate. Expenditure decreases occur in microcomputer systems and support (\$128,125), equipment/furniture (\$52,571); and telecommunications termination equipment (\$390); and
- **Other Assistance.** The agency requests \$650,000, all from the State Highway Fund, for expenditures for property damage or loss claims for FY 2022. This is no change from the FY 2021 revised estimate.

**Non-reportable Expenditures.** The agency's request includes non-reportable expenditures of \$251,000 from two sources: expenditures from the conference fees account (\$250,000) and the remittance of collected sales tax (\$1,000). This is no change from the FY 2021 revised estimate.

The **Governor** concurs with the agency's request for FY 2022 expenditures for the Administration program.

## ***B. Transportation Planning and Modal Support***

The stated goal of the Transportation Planning and Modal Support program is to provide planning, coordination, and assistance to ensure a safe, efficient, and reliable multi-modal transportation network on and off the State Highway System. The Transportation Planning and Modal Support program handles planning and management of the agency's transportation program efforts, such as Eisenhower Legacy Transportation Program. The program provides for capital and operating assistance for public transportation, preservation or improvement of rail service through loans or grants, improvement of public-use aviation facilities, and highway safety activities designed to reduce traffic accidents and fatalities through modification of driver behavior. To achieve these goals, the management program is comprised of the following five subprograms: Traffic Safety, Transit, Transportation Planning, Aviation, and Rail and Freight.



PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Number of Kansas Alcohol-related Crashes	N/A	1,875	1,850	2,100	2,075	2,050
Serious Injuries Per Hundred Million Vehicle Miles	3.01	3.14	2.77	3.60	3.76	3.70
Fatalities Per Hundred Million Vehicle Miles	1.19	1.26	1.26	1.30	1.32	1.29
Percentage of Drivers and Passengers Using Safety Belts	83.0 %	84.0 %	85.0 %	86.0 %	87.0 %	87.0 %
<b>Agency Expenditures</b>						
All Funds (Dollars in Millions)	\$ 48.5	\$ 53.7	\$ 76.2	\$ 62.9	\$ 118.3	\$ 79.9
FTE Positions	76.0	78.0	81.0	81.0	80.0	80.0

TRANSPORTATION PLANNING AND MODAL SUPPORT SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
<b>Expenditures:</b>					
Salaries and Wages	\$ 6,283,288	\$ 7,121,397	\$ 7,121,397	\$ 7,185,968	\$ 7,185,968
Contractual Services	7,575,608	6,910,769	6,910,769	4,330,172	4,330,172
Commodities	421,941	477,306	477,306	477,806	477,806
Capital Outlay	63,398	399,000	399,000	400,000	400,000
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 14,344,235</i>	<i>\$ 14,908,472</i>	<i>\$ 14,908,472</i>	<i>\$ 12,393,946</i>	<i>\$ 12,393,946</i>
Aid to Local Units	15,259,631	33,562,907	33,562,907	25,790,859	25,790,859
Other Assistance	33,326,714	69,770,955	69,870,955	41,683,524	41,783,524
Capital Improvements	0	0	0	0	0
Reportable Exp.	\$62,930,580	\$ 118,242,334	\$ 118,342,334	\$ 79,868,329	\$ 79,968,329
Non-reportable Exp.	6,481,767	2,850,000	2,850,000	2,875,000	2,875,000
<b>TOTAL</b>	<b>\$69,412,347</b>	<b>\$121,092,334</b>	<b>\$ 121,192,334</b>	<b>\$ 82,743,329</b>	<b>\$ 82,843,329</b>
<b>Financing:</b>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	62,930,580	118,242,334	118,342,334	79,868,329	79,968,329
Reportable Exp.	\$62,930,580	\$ 118,242,334	\$ 118,342,334	\$ 79,868,329	\$ 79,968,329
Non-reportable Exp.	6,481,767	2,850,000	2,850,000	2,875,000	2,875,000
<b>TOTAL</b>	<b>\$69,412,347</b>	<b>\$121,092,334</b>	<b>\$ 121,192,334</b>	<b>\$ 82,743,329</b>	<b>\$ 82,843,329</b>
FTE Positions	81.0	80.0	80.0	80.0	80.0

The increase from FY 2020 to FY 2021 in aid to local units is due to the addition of the Transportation Technology Development Fund (TTDF) and the Broadband Infrastructure Construction Grant Fund, and the spending down existing balance of the Coordinated Public Transportation Assistance Fund (CPTAF). Aid to Local expenditures decrease because the CPTAF expenditures decrease as the balance is spent down in FY 2021. The TTDF goes down, as the agency decided to add funding to this program with an additional \$1.0 million in FY 2021 for a total of \$3.0 million in funding in FY 2021. Other assistance expenditures increase in FY 2021 with the addition of the Short Line Rail Improvement Fund and a large rail project which includes \$27M in federal funding, which does not reoccur for FY 2022.

The **agency** requests FY 2022 reportable operating expenditures totaling \$79.9 million, all from special revenue funds, for the Transportation Planning and Modal Support program. This is a decrease of \$38.4 million, or 32.5 percent, below the FY 2021 revised estimate. The decreases are due to expenditures for contractual services (\$2.6 million), aid to local units of government (\$7.8 million), and other assistance (\$28.1 million). The request is detailed below by major category of expenditure:

- **Salaries and Wages.** The agency requests expenditures of \$7.2 million, all from special revenue funds, to fund 80.0 FTE positions for FY 2022. This is an all funds increase of \$64,571, or 0.9 percent, above the FY 2021 revised estimate. The expenditure increase primarily occurs in employer contributions for state employee retirement (\$42,565) and for group health insurance (\$21,306);
- **Contractual Services.** The agency requests expenditures of \$4.3 million, all from special revenue funds, for FY 2022. This is an all funds decrease of \$2.6 million, or 37.3 percent, below the FY 2021 revised estimate. Expenditure decreases primarily occur in advertising and marketing (\$1.8 million), information systems consulting (\$525,000), and other contractual services (\$250,000) and other professional fees (\$132,000). These increases are partially offset by a primary increase in architects and engineers (\$292,894). This increase reflects the agency's increased use of Project Management Consultants for FY 2022;
- **Commodities.** The agency requests expenditures of \$477,806, all from special revenue funds, for FY 2022. This is an all funds increase of \$500, or 0.1 percent, above the FY 2021 revised estimate. The primary increases occurs in data processing supplies (\$500);
- **Capital Outlay.** The agency requests expenditures of \$400,000, all from special revenue funds, for FY 2022. This is an all funds increase of \$1,000, or 0.3 percent, above the FY 2021 revised estimate. The expenditure increase occurs in office furniture (\$1,000);
- **Aid to Local Units of Government.** The agency requests \$25.8 million, all from special revenue funds, for FY 2022. This is an all funds decrease of \$7.8 million, or 23.2 percent, below the FY 2021 revised estimate. The expenditure decrease is in additional state aid to local units of government for safety programs and initiatives (\$7.8 million). This change is a result of federal transit money being budgeted under the COVID-19 Program for CARES Act money, which resulted in lower federal transit expenditures in FY 2021 and then increased federal transit expenditures for FY 2022 when funding returned to normal levels; and
- **Other Assistance.** The agency requests \$41.7 million, all from special revenue funds, for FY 2022. This is an all funds decrease of \$28.1 million, or 40.3 percent, below the FY 2021 revised estimate. The expenditure decrease is in state assistance (\$39.0 million), which is partially offset by an increase in federal assistance (\$10.9 million) for safety programs and initiatives.

**Non-reportable Expenditures.** The agency's request includes non-reportable expenditures of \$2.9 million, which includes payments for the Rail Loan program and transfers to other state agencies for safety programs.

The **Governor** concurs with the agency's requested expenditures in FY 2021 and for FY 2022, and adds \$100,000, all from the Driver's Education Scholarship Grant (DESG) Fund, for the DESG program in FY 2021 and for FY 2022. This grant was part of the original IKE Transportation Program legislation.

### **C. Local Support**

The goal of the Local Support program is to “assist in providing safe, efficient, and reliable local transportation systems.” This program provides planning and financial assistance to local governments and administers both state and federal funding for city and county roads, street, and bridge improvements; rural public transportation planning and assistance; transportation for the elderly and disabled; and highway safety plans and programs. The Local Support program includes aid to local units of government through the Special City and County Highway Fund (SCCHF). The SCCHF receives funding from motor fuel taxes and motor carrier property taxes. The funds are distributed quarterly, with 57.0 percent distributed to counties and 43.0 percent distributed to cities. Each county receives a base allocation of \$5,000, with the remainder distributed on a formula based on motor vehicle registration fees, average daily vehicle miles traveled, and total road miles within each county. The city distribution is based on population. This program includes safety programs targeting seat belt usage, drunk driving, underage drinking, and community awareness such as the “Click It or Ticket” and “You Drink, You Drive, You Lose” media campaigns. To achieve these goals, the Local Support program is composed of the following subprograms: Special City and County Aid and Local Projects.

<b>PERFORMANCE MEASURES</b>						
<b>Measure</b>	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Gov. Rec. FY 2020</b>	<b>Actual FY 2020</b>	<b>Gov. Rec. FY 2021</b>	<b>Gov. Rec. FY 2022</b>
Number of Projects Awarded to Local Public Government Authorities	82	83	85	182	150	150
<b>Agency Expenditures</b>						
All Funds (Dollars in Millions)	\$ 172.2	\$ 182.6	\$ 190.2	\$ 184.8	\$ 176.3	\$ 186.9
FTE Positions	18.0	18.0	21.0	21.0	18.0	18.0

<b>LOCAL SUPPORT SUMMARY OF EXPENDITURES FY 2020 – FY 2022</b>					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
<b>Expenditures:</b>					
Salaries and Wages	\$ 1,721,260	\$ 1,656,548	\$ 1,656,548	\$ 1,671,334	\$ 1,671,334
Contractual Services	79,119	147,004	147,004	149,017	149,017
Commodities	14,094	21,730	21,730	22,099	22,099
Capital Outlay	341	2,094	2,094	2,130	2,130
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 1,814,814</i>	<i>\$ 1,827,376</i>	<i>\$ 1,827,376</i>	<i>\$ 1,844,580</i>	<i>\$ 1,844,580</i>
Aid to Local Units	182,939,422	156,585,685	174,486,215	185,051,384	174,965,112
Other Assistance	0	0	0	0	0
Capital Improvements	0	0	0	0	0
Reportable Exp.	\$ 184,754,236	\$ 158,413,061	\$ 176,313,591	\$ 186,895,964	\$ 176,809,692
Non-reportable Exp.	0	0	0	0	0
<b>TOTAL</b>	<b><u>\$ 184,754,236</u></b>	<b><u>\$ 158,413,061</u></b>	<b><u>\$ 176,313,591</u></b>	<b><u>\$ 186,895,964</u></b>	<b><u>\$ 176,809,692</u></b>
<b>Financing:</b>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	184,754,236	158,413,061	176,313,591	186,895,964	176,809,692
Reportable Exp.	\$ 184,754,236	\$ 158,413,061	\$ 176,313,591	\$ 186,895,964	\$ 176,809,692
Non-reportable Exp.	0	0	0	0	0
<b>TOTAL</b>	<b><u>\$ 184,754,236</u></b>	<b><u>\$ 158,413,061</u></b>	<b><u>\$ 176,313,591</u></b>	<b><u>\$ 186,895,964</u></b>	<b><u>\$ 176,809,692</u></b>
FTE Positions	21.0	18.0	18.0	18.0	18.0

The FY 2020 to FY 2021 decrease in aid to local units is due to Special City County Highway Fund (SCCHF) expenditures. At the time of the agency budget submission, the agency had revised its Motor Fuels Tax (MFT) receipts which affected the amount of funding for SCCHF expenditures. Internal estimates at that time assumed Motor Fuels Tax would return to more normal levels in FY 2022.

The **agency** requests FY 2022 reportable operating expenditures totaling \$186.9 million, all from special revenue funds, for the Local Support program. This is an all funds increase of \$28.5 million, or 18.0 percent, above the FY 2021 revised estimate. The increase mainly occurs within expenditures for aid to local units of government (\$28.5 million). The request is detailed below by major category of expenditure:

- **Salaries and Wages.** The agency requests expenditures of \$1.7 million, all from special revenue funds, to fund 18.0 FTE positions for FY 2022. The request is an all funds increase of \$14,786, or 0.9 percent, above the FY 2021 revised estimate. The expenditure increase primarily occurs in employer contributions for state employee retirement (\$9,628) and group health insurance (\$4,995);
- **Contractual Services.** The agency requests expenditures of \$149,017, all from special revenue funds, for FY 2022. This request is an increase of \$2,013, or 1.4 percent, above the FY 2021 revised estimate. The expenditure increases primarily occur in computer software rental (\$1,000), communications expenditures (\$432), international travel and subsistence (\$277) and training and conference registrations (\$174);

- **Commodities.** The agency requests expenditures of \$22,099, all from special revenue funds, for FY 2022. This request is an increase of \$369, or 1.7 percent, above the FY 2021 revised estimate. The expenditure increase primarily occurs in gasoline expenditures (\$348);
- **Capital Outlay.** The agency requests expenditures of \$2,130, all from special revenue funds, for FY 2022. This request is an increase of \$36, or 1.7 percent, above the FY 2021 revised estimate. This increase occurs in office furniture expenditures; and
- **Aid to Local Units of Government.** The agency requests expenditures of \$185.1 million, all from special revenue funds, for expenditures for Special City and County Highway Aid (\$157.1 million) and State Aid (\$28.0 million) for FY 2022. This is no change in State Aid expenditures, but a Special City and County Highway Aid increase of \$28.5 million, or 22.1 percent, above the FY 2021 revised estimate, which is when the agency estimated expenditures to return to normal.

The **Governor** concurs with the agency's request for expenditures in FY 2021 and for FY 2022 and adjusts funding to provide for the November 2020 Highway Consensus Revenue Estimating Group estimates as follows:

- Adding \$17.9 million, all from the Special City and County Highway Fund, in FY 2021; and
- Deleting \$10.1 million, all from the Special City and County Highway Fund, for FY 2022.

#### ***D. Maintenance***

The stated goal of the Maintenance program is to maintain the State Highway System providing safe and reliable highway facilities. The program contains all regular highway and bridge maintenance functions performed by the State. Regular maintenance activities are designed to preserve, repair, and restore the roadway system to its designed or accepted standards. System elements include travel-way surfaces, shoulders, roadsides, drainage facilities, bridges, signs, and markings. Also included are traffic services, such as lighting and signal operation, snow and ice removal, and operation of roadside rest areas. Maintenance activities are undertaken to offset the effects of deterioration, damage, and vandalism. Deterioration includes the effects of aging, weather, material fatigue, and design and construction weaknesses. Activities also include repair of buildings and equipment essential to perform maintenance activities. Funds also are provided to cities to assist in maintenance of routes designated as highway connecting links. Costs for maintenance of these links are apportioned between KDOT and the city as determined by agreement. KDOT reimburses cities and counties at the rate of \$5,000-per-lane mile for links maintained. In addition, funds are available for substantial maintenance on city connecting links, and costs for maintenance of these links are apportioned between KDOT and the city as determined by agreement. When cities enter into an agreement for the city connecting links to be maintained by the State, KDOT then becomes responsible for all maintenance on the connecting link.

Also included in this program are Communication System expenditures for the agency's interoperable communications towers. The agency maintains the interoperable statewide 800

MHz radio system for use by the State, KDOT, and local public safety agencies. Agency leasing expenditures are included as non-reportable expenditures while federal funds for the program are included as reportable expenditures.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Total Level of Service for Maintenance Quality Assurance Program	89.4	88.3	88.3	89.6	89.6	89.6
Maintenance Expenditures Per Lane Mile	4,500	4,600	4,500	4,200	4,200	4,200
<u>Agency Expenditures</u>						
All Funds (Dollars in Millions)	\$ 133.6	\$ 141.3	\$ 153.9	\$ 133.5	\$ 157.8	\$ 159.9
FTE Positions	1,257.0	1,262.0	1,244.0	1,244.0	1,166.0	1,166.0

MAINTENANCE SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
<b>Expenditures:</b>					
Salaries and Wages	\$ 62,445,523	\$ 66,057,003	\$ 66,057,003	\$ 66,740,845	\$ 66,740,845
Contractual Services	25,054,444	26,297,209	26,297,209	26,951,540	26,951,540
Commodities	30,830,246	40,793,606	40,793,606	41,579,890	41,579,890
Capital Outlay	10,938,030	19,314,102	19,314,102	19,222,032	19,222,032
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$129,268,243</i>	<i>\$152,461,920</i>	<i>\$ 152,461,920</i>	<i>\$ 154,494,307</i>	<i>\$ 154,494,307</i>
Aid to Local Units	4,084,395	5,360,000	5,360,000	5,360,000	5,360,000
Other Assistance	210,000	0	0	0	0
Capital Improvements	0	0	0	0	0
Reportable Exp.	\$ 133,562,638	\$ 157,821,920	\$ 157,821,920	\$ 159,854,307	\$ 159,854,307
Non-reportable Exp.	1,811,565	1,400,000	1,400,000	1,400,000	1,400,000
<b>TOTAL</b>	<b>\$135,374,203</b>	<b>\$159,221,920</b>	<b>\$ 159,221,920</b>	<b>\$ 161,254,307</b>	<b>\$ 161,254,307</b>
<b>Financing:</b>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	133,562,638	157,821,920	157,821,920	159,854,307	159,854,307
Reportable Exp.	\$ 133,562,638	\$ 157,821,920	\$ 157,821,920	\$ 159,854,307	\$ 159,854,307
Non-reportable Exp.	1,811,565	1,400,000	1,400,000	1,400,000	1,400,000
<b>TOTAL</b>	<b>\$135,374,203</b>	<b>\$159,221,920</b>	<b>\$ 159,221,920</b>	<b>\$ 161,254,307</b>	<b>\$ 161,254,307</b>
FTE Positions	1,244.0	1,166.0	1,166.0	1,166.0	1,166.0

The **agency** requests FY 2022 reportable operating expenditures totaling \$159.9 million, all from special revenue funds, for the Maintenance program. This is an all funds increase of \$2.0 million, or 1.3 percent, above the FY 2021 revised estimate. This increase occurs within expenditures for commodities (\$786,284), salaries and wages (\$683,842), and contractual services (\$654,331). The request is detailed below by major category of expenditure:

- **Salaries and Wages.** The agency requests expenditures of \$66.7 million, all from special revenue funds, to fund 1,166.0 FTE positions for FY 2022. The request is an all funds increase of \$683,842, or 1.0 percent, above the FY 2021



revised estimate. Expenditure increases occur in employer contributions to state employee retirement (\$380,893) and group health insurance (\$296,595) and unemployment compensation (\$4,538);

- **Contractual Services.** The agency requests expenditures of \$27.0 million, all from special revenue funds, for FY 2022. This request is an increase of \$654,331, or 2.5 percent, above the FY 2021 revised estimate. Expenditure increases occur in repairing and servicing (\$376,633), rent (\$184,390), other fees for the NAPA managed stockroom contract reflecting anticipated needs and inflationary adjustments with that contract (\$140,140), and utilities (\$88,475);
- **Commodities.** The agency requests expenditures of \$41.6 million, all from special revenue funds, for FY 2022. This request is an increase of \$786,284, or 1.9 percent, above the FY 2021 revised estimate. Expenditure increases occur in maintenance and construction materials, supplies, and parts (\$494,311), motor vehicle parts, supplies, and accessories (\$259,487), and clothing expenditures (\$16,900);
- **Capital Outlay.** The agency requests expenditures of \$19.2 million, all from special revenue funds, for FY 2021. This request is a decrease of \$92,070, or 0.5 percent, below the FY 2021 revised estimate. Expenditure decreases mainly occur in trucks (\$140,931) and self-propelled equipment (\$37,353). These decreases are partially offset by increases in expenditures for other equipment expenditures. The agency states that the decrease in truck expenditures reflects an agency priority decision for lab testing equipment; and
- **Aid to Local Units of Government.** The agency requests expenditures of \$5.4 million, all from special revenue funds, for expenditures for highway to city connecting link maintenance for FY 2022. This is no change from the FY 2021 revised estimate.

**Non-reportable Expenditures.** The agency requests non-reportable expenditures totaling \$1.4 million for FY 2022. These expenditures are for inter-agency transfers, including motor fuel sales.

The **Governor** concurs with the agency's request for FY 2022 expenditures for the Maintenance program.

## ***E. Construction***

The stated goal of the Construction program is to develop and construct projects that continue to provide a quality state highway network or preserve the existing system. The program includes functions and activities associated with constructing new highways and performing major renovations of existing state highways and facilities. The program is divided into eight subprograms: Debt Service; Design/Right of Way, Construction Inspection, Expansion (State Projects), Modernization, Buildings, Local Construction, and Preservation. Activities include right-of-way purchase, design, construction supervision, materials testing, facilities construction and remodeling, and payment of principal and interest on construction financed through the issuance of bonds. In addition, federal aid to local governments is included in this program. Highway construction projects are classified as preservation, modernization, and expansion/enhancement.

**Preservation.** Preservation functions are intended to protect public investment by preserving the as-built condition as long as possible and minimizing the need for major improvements. Preservation activities include resurfacing, bridge painting, bridge and culvert repair, major sign replacement, and safety improvements.

**Modernization.** This program encompasses activities that bring a roadway or intersection up to current design standards. This can be accomplished by widening or adding shoulders, flattening hills, or removing curves in a road.

**Expansion/Enhancement.** This program includes projects that are designed to improve safety, relieve congestion, improve access, and enhance economic development. The categories are corridor improvements, bypass construction, and interchange and separation improvements. Projects must be on the State Highway System or a logical addition to the State Highway System.

<b>PERFORMANCE MEASURES</b>						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Percentage of Highway Construction Projects Completed on Time or Early	96.0 %	99.0 %	100.0 %	98.0 %	98.0 %	98.0 %
Number of Miles Resurfaced	1,859	1,662	1,919	1,885	1,839	1,895
Number of Preservation Miles Programmed for Construction	1,860	1,663	1,923	1,885	1,839	1,895
Number of Bridges and Culverts Programmed for Construction	43	104	68	61	83	70
<b>Agency Expenditures</b>						
All Funds (Dollars in Millions)	\$ 473.2	\$ 724.8	\$ 1,030.7	\$ 978.4	\$ 1,334.6	\$ 1,735.7
FTE Positions	656.3	643.5	644.2	644.2	614.5	614.5

<b>CONSTRUCTION</b>					
<b>SUMMARY OF EXPENDITURES FY 2020 – FY 2022</b>					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
<b>Expenditures:</b>					
Salaries and Wages	\$ 44,943,795	\$ 46,462,561	\$ 46,462,561	\$ 46,908,398	\$ 46,908,398
Contractual Services	69,785,127	111,695,823	111,695,823	125,221,032	125,221,032
Commodities	1,646,724	1,318,766	1,318,766	1,331,100	1,331,100
Capital Outlay	872,420	1,208,602	1,208,602	1,363,392	1,363,392
Debt Service	92,088,316	86,250,587	86,250,587	80,295,095	80,295,095
<i>Subtotal - Operations</i>	<u>\$ 209,336,382</u>	<u>\$ 246,936,339</u>	<u>\$ 246,936,339</u>	<u>\$ 255,119,017</u>	<u>\$ 255,119,017</u>
Aid to Local Units	1	0	0	0	0
Other Assistance	0	0	0	0	0
Capital Improvements	769,058,413	1,087,710,808	1,087,710,808	1,480,598,026	1,480,598,026
<i>Reportable Exp.</i>	<u>\$ 978,394,796</u>	<u>\$ 1,334,647,147</u>	<u>\$ 1,334,647,147</u>	<u>\$ 1,735,717,043</u>	<u>\$ 1,735,717,043</u>
Non-reportable Exp.	754,503,657	211,885,933	211,885,933	212,148,901	212,148,901
<b>TOTAL</b>	<u><b>\$ 1,732,898,453</b></u>	<u><b>\$ 1,546,533,080</b></u>	<u><b>\$ 1,546,533,080</b></u>	<u><b>\$ 1,947,865,944</b></u>	<u><b>\$ 1,947,865,944</b></u>
<b>Financing:</b>					
State General Fund	\$	\$ 0	\$ 0	\$	\$ 0
All Other Funds	978,394,796	1,334,647,147	1,334,647,147	1,735,717,043	1,735,717,043
Reportable Exp.	<u>\$ 978,394,796</u>	<u>\$ 1,334,647,147</u>	<u>\$ 1,334,647,147</u>	<u>\$ 1,735,717,043</u>	<u>\$ 1,735,717,043</u>
Non-reportable Exp.	754,503,657	211,885,933	211,885,933	212,148,901	212,148,901
<b>TOTAL</b>	<u><b>\$ 1,732,898,453</b></u>	<u><b>\$ 1,546,533,080</b></u>	<u><b>\$ 1,546,533,080</b></u>	<u><b>\$ 1,947,865,944</b></u>	<u><b>\$ 1,947,865,944</b></u>
FTE Positions	644.2	614.5	614.5	614.5	614.5

The **agency** requests FY 2022 reportable expenditures totaling \$1.7 billion, all from special revenue funds, for the Construction program. This amount includes operations expenditures totaling \$255.1 million and capital improvements expenditures totaling \$1.5 billion for the Construction program. Operations expenditures are an all funds increase of \$8.2 million, or 3.3 percent, above the FY 2021 revised estimate and primarily occur within contractual services (\$13.5 million) and salaries and wages (\$445,837), which is partially offset by a decrease to debt service interest expenditures (\$6.0 million). Capital improvements expenditures are an increase of \$392.9 million, or 36.1 percent, above the FY 2021 revised estimate. The request is detailed below by major category of expenditure:

- **Salaries and Wages.** The agency requests expenditures of \$46.9 million, all from special revenue funds, to fund 614.5 FTE positions for FY 2022. The request is an all funds increase of \$445,837, or 1.0 percent, above the FY 2021 revised estimate. The primary increases occur in employer contributions to state employee retirement (\$277,372) and group health insurance (\$162,583);
- **Contractual Services.** The agency requests expenditures of \$125.2 million, all from special revenue funds, for FY 2022. The request is an increase of \$13.5 million, or 12.1 percent, above the FY 2021 revised estimate. The expenditure increase mainly occurs in fees for architects and engineers (\$13.7 million) associated with the implementation of the IKE program;
- **Commodities.** The agency requests expenditures of \$1.3 million, all from special revenue funds, for FY 2022. The request is an increase of \$12,334, or 0.9 percent, above the FY 2021 revised estimate. Expenditure increases mainly occur in highway aggregates (\$36,685) and small tools (\$3,571). This is partially

offset by a decreases to gasoline (\$19,714), computer system parts and materials (\$6,268), and stationery, office, and data processing supplies;

- **Capital Outlay.** The agency requests expenditures of \$1.4 million, all from special revenue funds, for FY 2022. The request is an increase of \$154,790, or 12.8 percent, above the FY 2021 revised estimate. The primary increase occurs in professional and scientific equipment for lab testing equipment (\$149,228);
- **Debt Service Interest.** The agency requests expenditures of \$80.3 million, all from special revenue funds, for FY 2022. This is an all funds decrease of \$6.0 million, or 6.9 percent, below the FY 2021 revised estimate; and
- **Capital Improvements.** The agency requests expenditures of \$1.5 billion, all from special revenue funds, for FY 2022. This request is an increase of \$392.9 million, or 36.1 percent, above the FY 2021 revised estimate. The expenditure increases mainly occur in highway bridge construction contracts (\$380.3 million), debt service principal (\$6.0 million), and land and interest in land (\$16.9 million). These increases are partially offset by decreases in highway and bridge utility adjustments (\$6.1 million) and building expenditures (\$4.2 million).

**Non-reportable Expenditures.** The agency's FY 2022 budget includes non-reportable expenditures totaling \$212.1 million, all from special revenue funds, for inter-fund transfers (\$210.7 million) and traffic control expenditures for the Kansas Highway Patrol (\$1.5 million).

The **Governor** concurs with the agency's request for FY 2022 expenditures for the Construction program.

## ***F. Debt Service***

This section details principal, interest, and administrative costs related to bond debt for KDOT. These expenditures are included as part of the Construction program; the following Debt Service table is provided as a breakout for additional detail on debt service expenditures.

As of December 2020, outstanding transportation programs debt totals \$2.5 billion, which includes both principal and interest. This amount is composed of \$2.1 billion from the T-WORKS Program and \$454.7 million from the prior Comprehensive Transportation Program (CTP). These amounts are also reflected in the following table:

Remaining Debt Service Payments by Transportation Program			
Program	Principal	Interest	Total Payments
CTP	\$ 413,760,000	\$ 40,971,547	\$ 454,731,547
T-WORKS	\$ 1,449,035,000	\$ 632,682,494	\$ 2,081,717,494
TOTAL	\$ 1,862,795,000	\$ 673,654,041	\$ 2,536,449,041

Anticipated Debt Issuance during IKE: \$ 1.2 Billion

The agency's budget anticipates paying off outstanding CTP debt for FY 2025. Senate Sub. for HB 2002 (2017) included the following provisions in FY 2018 and FY 2019: authorized the issuance of \$400.0 million in bonds over the course of FY 2018 and FY 2019, at the discretion of the Secretary of Transportation. The legislation also set the limit on total allowable debt issuance for the T-WORKS Program at \$1.70 billion during FY 2018 and FY 2019. The agency has issued \$200.0 million in par value bonds in October 2017, and the remaining \$200.0 million in net proceeds bonds was issued in October 2018. The agency notes, in FY 2020, the 18.0 percent annual bond debt services expenditures to annual projected State Highway Fund revenues cap once again comes into effect, which was part of the original T-WORKS Program debt issuance provisions. The agency states that based upon the November 2020 Highway Revenue Estimating Group, it is at approximately 17.0 percent current debt to revenues ratio for FY 2021.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
There are no performance measures submitted for this program.						
<u>Agency Expenditures</u>						
All Funds (Dollars in Millions)	\$ 198.3	\$ 210.6	\$ 207.6	\$ 208.0	\$ 207.8	\$ 207.9
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0

DEBT SERVICE SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
<b>Expenditures:</b>					
Debt Service Interest	\$ 92,088,316	\$ 86,250,587	\$ 86,250,587	\$ 80,295,095	\$ 80,295,095
Debt Service Principal	115,765,000	121,350,000	121,350,000	127,385,000	127,385,000
Administrative Costs	176,610	170,000	170,000	170,000	170,000
Non-Expense	470,715,785	0	0	0	0
<b>TOTAL</b>	<b>\$ 678,745,711</b>	<b>\$ 207,770,587</b>	<b>\$ 207,770,587</b>	<b>\$ 207,850,095</b>	<b>\$ 207,850,095</b>
<b>Financing:</b>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	208,029,926	207,770,587	507,600,587	207,850,095	207,850,095
Non-reportable Exp.	470,715,785	0	0	0	0
<b>TOTAL</b>	<b>\$ 678,745,711</b>	<b>\$ 207,770,587</b>	<b>\$ 507,600,587</b>	<b>\$ 207,850,095</b>	<b>\$ 207,850,095</b>

The agency states that expenditures in FY 2020 were inadvertently categorized and represent investment advances, or short-term investments utilizing the State Highway Fund.

The **agency** requests an FY 2021 revised estimate for debt service expenditures totaling \$207.8 million, all from special revenue funds.

The **Governor** concurs with the agency's FY 2021 revised estimate for debt service expenditures.

The **agency** requests FY 2022 debt service expenditures totaling \$207.9 million, all from special revenue funds.

The **Governor** concurs with the agency's FY 2022 request for debt service expenditures.

## **G. COVID-19**

The COVID-19 program is for record purposes only. This program contains expenditures associated with the COVID-19 pandemic. Examples of transactions that are approved for use of the COVID-19 Program Code include, but are not limited to, deposits for COVID-19 revenue, purchases of laptop computers so that staff can work remotely, emergency response expenses, military activation, supplies for disinfection, medical supplies, salaries and wages for additional personnel or overtime costs due to outbreak response, overtime costs for staff working to cover tasks when co-workers cannot report due to self-quarantine or lack of access to daycare for school-age children, and costs due to cancellation of activities. In addition, this program includes expenditures for rural transit funded through federal Coronavirus Aid, Relief, and Economic Security (CARES) Act money from the Federal Transit Administration.

**COVID-19  
SUMMARY OF EXPENDITURES FY 2020 – FY 2022**

Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
<b>Expenditures:</b>					
Salaries and Wages	\$ 183,459	\$ 0	\$ 0	\$ 0	\$ 0
Contractual Services	174,057	0	0	0	0
Commodities	269,764	0	200,000	0	0
Capital Outlay	13,353	0	300,000	0	0
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 640,633</u>	<u>\$ 0</u>	<u>\$ 500,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Aid to Local Units	812,515	0	0	0	0
Other Assistance	8,295,072	29,698,610	29,698,610	0	0
Capital Improvements	0	0	0	0	0
Reportable Exp.	<u>\$ 9,748,220</u>	<u>\$ 29,698,610</u>	<u>\$ 30,198,610</u>	<u>\$ 0</u>	<u>\$ 0</u>
Non-reportable Exp.	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b><u>\$ 9,748,220</u></b>	<b><u>\$ 29,698,610</u></b>	<b><u>\$ 30,198,610</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>
<b>Financing:</b>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	9,748,220	29,698,610	30,198,610	0	0
Reportable Exp.	<u>\$ 9,748,220</u>	<u>\$ 29,698,610</u>	<u>\$ 30,198,610</u>	<u>\$ 0</u>	<u>\$ 0</u>
Non-reportable Exp.	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b><u>\$ 9,748,220</u></b>	<b><u>\$ 29,698,610</u></b>	<b><u>\$ 30,198,610</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>
FTE Positions	0.0	0.0	0.0	0.0	0.0

The **agency** requests a revised estimate for FY 2021 expenditures of \$29.7 million, all from federal CARES Act money available from the Federal Transit Administration, to assist rural transit operations in FY 2021. The agency states that it qualified for \$38.8 million in federal rural transit funding and encumbered approximately \$9.7 million in FY 2020. The agency anticipates expending the remaining \$29.7 million. The CARES Act provides that these funds are available until expended.

The **Governor** recommends expenditures of \$30.2 million, all from the federal Coronavirus Relief Fund, in FY 2021. This increase is due to the addition of \$500,000 to accurately reflect funds awarded to the agency in FY 2021.



## CAPITAL IMPROVEMENTS

KDOT maintains approximately 981 buildings, comprising approximately 3.0 million square feet. Structures include 208 buildings housing KDOT and Kansas Highway Patrol personnel, offices, shops, and labs, and 773 support structures functioning as chemical, equipment, and materials storage facilities, as well as wash buildings. In addition, there are 36 Safety Rest Areas that are maintained throughout the state. These expenditures are included as part of the Construction program; the following table is provided as a breakdown for additional detail on buildings expenditures.

<b>CAPITAL IMPROVEMENTS</b>				
Project	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Rehabilitation and Repair	\$ 4,955,733	\$ 4,955,733	\$ 4,100,000	\$ 4,100,000
Re-roof Buildings - Various Locations	1,577,945	1,577,945	771,178	771,178
Subarea Modernization - Various Locations	7,568,978	7,568,978	4,821,680	4,821,680
Remote Chemical Storage Bunkers	20,000	20,000	0	0
Chemical Storage Facilities	236,060	236,060	244,644	244,644
Purchase Land - Various Locations	77,140	77,140	45,000	45,000
Update Electrical and Bay Extension District Shops	1,217,260	1,217,260	1,568,920	1,568,920
Relocate Subarea - Newton	2,620,800	2,620,800	0	0
Construct District Two Annex	907,500	907,500	0	0
Relocate Area/Construction Office - Concordia	0	0	3,455,040	3,455,040
	0	0	0	0
<b>TOTAL</b>	<b>\$ 19,181,416</b>	<b>\$ 19,181,416</b>	<b>\$ 15,006,462</b>	<b>\$ 15,006,462</b>
<b>Financing:</b>				
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	19,181,416	19,181,416	15,006,462	15,006,462
<b>TOTAL</b>	<b>\$ 19,181,416</b>	<b>\$ 19,181,416</b>	<b>\$ 15,006,462</b>	<b>\$ 15,006,462</b>

**FY 2021 – Current Year.** The agency estimates revised FY 2021 capital improvement expenditures totaling \$19.2 million, all from the State Highway Fund. This is an increase of \$4.4 million, or 29.5 percent, above the amount approved by the 2020 Legislature. The revised estimate includes \$14.2 million for projects and \$5.0 million for rehabilitation and repair. The agency states this increase is due to both reappropriations for projects that were delayed from the previous fiscal year and additional project expenditures in FY 2021. The agency notes it utilizes the state architect and staff, and priority is given to those projects for which funds are subject to lapsing. Additionally, the agency notes zoning and regulations can affect the progress of a project. The agency's FY 2021 revised estimate includes:

- **Estimated re-roofing expenditures for 11 locations:**
  - The agency's FY 2021 revised estimate includes expenditures of \$1.6 million, all from the State Highway Fund, for re-roofing projects for 11 locations. The agency states that the determination to re-roof completely is based upon the following factors: a) age of roof, b) current condition of roof, c) storm damage, d) previous maintenance, e) economics of repair versus replacement, and f) the effects of leaks on building contents or usage; and
  - Re-roofing locations in the FY 2021 revised estimate include: The agency's Geology/Planning building, Gardner Cone, El Dorado Construction Office, Washington Cone, Junction City Dome, Stockton Dome, Beaumont - Safety Rest Area, Kinsley Cone, Larned Cone, Rolla Cone, and a building in Cimarron.
  
- **Subarea modernizations for four locations:**
  - The agency's FY 2021 revised estimate includes expenditures of \$7.6 million, all from the State Highway Fund, for subarea modernizations for four locations. The agency states that subarea facilities were originally constructed in the late 1950s and early 1960s, and that current equipment, technologies, and bay sizes are evaluated to improve efficiency and effectiveness; and
  - Subarea modernization locations in the FY 2021 revised estimate include: Manhattan, Clay Center, Erie, and Wichita West.
  
- **Remote chemical storage bunker:**
  - The agency's FY 2021 revised estimate includes \$20,000, all from the State Highway Fund, for materials and construction of one remote chemical storage bunker in FY 2021;
  - The agency states that these facilities are constructed to facilitate KDOT's winter operations. The facilities provide for materials to be stored and loaded at the facility constructed to improve response and efficiency; and
  - A chemical storage bunker is in the FY 2021 revised estimate for: K-96 and K-15.
  
- **Chemical storage facility:**
  - The agency's FY 2021 revised estimate includes expenditures of \$236,060, all from the State Highway Fund, for the construction of one remote chemical storage facility in FY 2021; and
  - The agency states that these facilities are constructed to provide storage where it is determined to be inadequate. A chemical storage building is in the FY 2021 revised estimate for Sublette.
  
- **Land purchase to expand an existing location in Kinsley:**
  - The agency's FY 2021 revised estimate includes expenditures of \$77,140, all from the State Highway Fund, for the purchase of land to expand the Kinsley facility. The agency states that these requests to

expand and improve KDOT operations include requests for: land along the highway to provide an area to mix and store highway maintenance materials; land adjacent to a current KDOT facility to allow expansion of current storage and operations rather than relocate; or land to relocate a KDOT facility for safety and effectiveness.

- **Update of the electrical bay and extension district shop:**
  - The agency's FY 2021 revised estimate includes \$1.2 million, all from the State Highway Fund, to update an electrical bay and extension district shop. The project is to consolidate the electrical systems from several different electrical panels of the Shop buildings. This project is to update the main service panels to 800-amp 3 Phase 208-volt service. This would replace the existing 400-amp service panels, that are not up to code requirements or agency needs. The main shops are currently 40 ft. in depth. The agency states that the depth of the shop does not allow for some current equipment to fit in the shop and creates safety concerns when working on large pieces of equipment. This project is scheduled to extend the existing bays 30 feet to the rear of the building with a 30 ft. x 120 ft. addition. The addition portion of the end bay would have a 14 ft. x 16 ft. overhead door to make it a single drive-through bay. With a three ton, 100 ft. long overhead single rail crane running across the addition to provide for lifting needs in the extended shop area. Alternatively, the agency states that drive-through bays may be added to the rear or side of the building depending on the site configuration; and
  - The FY 2021 update is scheduled for Salina.
- **Relocation subarea - Newton:**
  - The agency's FY 2021 revised estimate includes \$2.6 million, all from the State Highway Fund, to relocate the Subarea in Newton. The agency states that the project would provide for the construction of a six-stall subarea shop, equipment storage, and chemical storage to replace current facilities. The current facility is located in a residential neighborhood in Newton on 3.5 acres, with poor access to the highways maintained. The agency states that the small size of the yard restricts the amount of materials that can be stored. Upon completion, the existing facility and land would be offered to other units of government or sold.
- **Construct District Two annex:**
  - The agency's FY 2021 revised estimate includes \$907,500, all from the State Highway Fund, to provide for the construction of an approximately 4,560 square foot building to replace the current facility that was built in 1935. The proposed facility would accommodate approximately 7 to 10 district support staff. The agency had originally requested this project to be a renovation but has determined that a new building would better meet future needs. The current building would be demolished after the new one is completed. It is anticipated to be a one-story building with dimensions of 48 by 95 feet, with approximately 4,560 square feet. The building would include approximately 1,600 square feet of office space; approximately 1,300 square feet for computer training and a conference room; a break room; and miscellaneous storage rooms.

The **Governor** concurs with the agency's revised FY 2021 estimate for building projects expenditures.

**FY 2022 – Budget Year.** The agency requests FY 2022 capital improvement expenditures totaling \$15.0 million, all from the State Highway Fund. This is a decrease of \$4.2 million, or 21.8 percent, below the FY 2021 revised estimate. The FY 2022 request includes \$10.9 million for projects and \$4.1 million for rehabilitation and repair. The decrease is primarily due to additional requests for project expenditures in FY 2021. The agency's FY 2022 request includes:

- **Estimated re-roofing expenditures for 11 locations:**
  - The agency's FY 2022 request includes expenditures of \$771,178, all from the State Highway Fund, for re-roofing projects for 11 locations. The agency states that the determination to re-roof completely is based upon the following factors: a) age of roof, b) current condition of roof, c) storm damage, d) previous maintenance, e) economics of repair versus replacement, and f) the effects of leaks on building contents or usage; and
  - Re-roofing locations in the revised FY 2021 estimate include: The Wamego Construction/Conference Building, Gardner Dome, Abilene Standard Salt Storage, Washington Cone, Oakley Cone, Oakley Dome, Montgomery County - Safety Rest Area, Lola Cone, Coldwater Cone, Hutchinson Construction Office, and the Dighton Dome.
- **Subarea modernizations for four locations:**
  - The agency's FY 2022 request includes expenditures of \$4.8 million, all from the State Highway Fund, for subarea modernizations for four locations. The agency states that subarea facilities were originally constructed in the late 1950s and early 1960s, and that current equipment, technologies, and bay sizes are evaluated to improve efficiency and effectiveness; and
  - Subarea modernization locations in the FY 2022 request include: Osborne, Oberlin, Hill City, and Scott City.
- **Chemical storage facilities:**
  - The agency's FY 2022 request includes expenditures of \$244,644, all from the State Highway Fund, for the construction of one remote chemical storage facility for FY 2022; and
  - The agency states that these facilities are constructed to provide storage where it is determined to be inadequate. A chemical storage building is in the agency's FY 2022 request for Pratt.
- **Land purchase to expand existing locations:**
  - The agency's FY 2022 request includes expenditures of \$45,000, all from the State Highway Fund, for the purchase of land to expand existing sites in Garnett (\$15,000) and Independence (\$30,000). The agency states

that these requests to expand and improve KDOT operations include requests for: land along the highway to provide an area to mix and store highway maintenance materials; land adjacent to a current KDOT facility to allow expansion of current storage and operations rather than relocate; or land to relocate a KDOT facility for safety and effectiveness.

- **Update of the electrical bay and extension district shops:**
  - The agency's FY 2022 request includes \$1.6 million, all from the State Highway Fund, to update an electrical bay and extension district shop. The agency states, "This project is to consolidate the electrical systems from several different electrical panels of the Shop buildings. This project is to update the main service panels to 800-amp 3 Phase 208-volt service. This would replace the existing 400-amp service panels, that are not up to code requirements or agency needs. The main shops are currently 40 ft. in depth. The agency states that the depth of the shop does not allow for some current equipment to fit in the shop and creates safety concerns when working on large pieces of equipment. This project is scheduled to extend the existing bays 30 feet to the rear of the building with a 30 ft. x120 ft. addition. The addition portion of the end bay would have a 14 ft. x 16 ft. overhead door to make it a single drive-through bay. A three ton, 100 ft. long overhead single rail crane running across the addition to provide for lifting needs in the extended shop area. Alternatively, drive-through bays may be added to the rear or side of the building depending on the site configuration."; and
  - The FY 2022 update is scheduled for Wichita Hillside.
- **Relocate area/construction office - Concordia:**
  - The agency's FY 2022 request includes \$1.6 million, all from the State Highway Fund, to relocate the Subarea in Concordia. The agency states that this project would provide for the construction of an Area office/Construction office and shop and Area supply storage building. The relocated facilities would be located on land purchased in FY 2009. The current Area office and shop are located in Mankato. The agency states that Mankato is experiencing a decline in businesses that support KDOT operations. The agency notes that the 1954 brick building is functionally obsolete, and that the 1995 metal supply storage building could be relocated. The current Area Construction office is located in Belleville. The Construction office, a 1963 concrete block building, the agency notes does not provide the space to adequately accommodate equipment and staff. The separation of the Area office and Area Construction offices complicates the management of construction administration. The agency believes that relocating these facilities to Concordia would consolidate the operations resulting in improved effectiveness. An associate architect would be required for this project, and includes contractual fencing, site grading, and construction of drives and entrances.

The **Governor** concurs with the agency's FY 2022 request for building projects expenditures.

STATE FUNDING SOURCES FY 2000 - FY 2022 REQUEST (DOLLARS IN THOUSANDS)					
Fiscal Year	Motor Fuels Tax	Sales Tax Transfer Received	Revised Sales Tax Direct Deposit*	Vehicle Registration Fees	Totals
2000 Actual	\$ 356,069	\$ 62,240	\$ 88,598	\$ 134,289	\$ 641,196
2001 Actual	356,399	51,709	89,241	132,439	629,788
2002 Actual	371,201	94,288	91,611	132,969	690,069
2003 Actual	408,119	0	89,369	146,306	643,794
2004 Actual	420,353	0	90,137	149,369	659,859
2005 Actual	422,760	0	93,353	154,108	670,221
2006 Actual	424,666	0	98,914	155,834	679,414
2007 Actual	430,547	0	158,393	163,047	751,987
2008 Actual	427,808	0	273,293	162,100	863,201
2009 Actual	417,771	0	268,740	162,655	849,166
<b>CTP TOTAL</b>	<b>\$ 4,035,693</b>	<b>\$ 208,237</b>	<b>\$ 1,341,649</b>	<b>\$ 1,493,116</b>	<b>\$ 7,078,695</b>
2010 Actual	\$ 421,071	\$ 0	\$ 259,445	\$ 166,178	\$ 846,694
2011 Actual	432,730	0	292,641	167,386	892,757
2012 Actual	431,549	0	312,358	166,316	910,223
2013 Actual	411,852	0	319,382	186,962	918,196
2014 Actual	433,806	0	485,458	201,051	1,120,315
2015 Actual	436,058	0	511,724	208,935	1,156,717
2016 Actual	447,300	0	517,698	204,363	1,169,361
2017 Actual	454,808	0	514,510	211,159	1,180,477
2018 Actual	458,183	0	529,477	207,621	1,195,281
2019 Actual	460,816	0	533,400	210,703	1,204,919
2020 Actual	454,115	0	545,786	209,503	1,209,404
2021 Revised Estimate*	435,058	0	566,422	212,000	1,213,480
2022 Request	437,038	0	582,798	212,000	1,231,836

\* FY 2021 revised estimate, and FY 2022 request are based upon projections provided by the November 2020 consensus revenue estimating process.