KANSAS DEPARTMENT OF TRANSPORTATION

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1

BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	$ -	$ -	$ -	$ -	$ -
Federal Funds	12,165,684	3,939,679	3,939,679	1,015,000	1,015,000
All Other Funds	711,448,319	794,237,881	790,724,230	778,141,757	773,481,728
Subtotal	*$ 723,614,003*	*$ 798,177,560*	*$ 794,663,909*	*$ 779,156,757*	*$ 774,496,728*
Capital Improvements:					
State General Fund	$ -	$ -	$ -	$ -	$ -
Federal Funds	-	-	-	-	-
All Other Funds	1,320,560,698	2,030,484,161	2,030,484,161	1,371,299,046	1,371,299,046
Subtotal	*$ 1,320,560,698*	*$ 2,030,484,161*	*$ 2,030,484,161*	*$ 1,371,299,046*	*$ 1,371,299,046*
TOTAL	**$ 2,044,174,701**	**$ 2,828,661,721**	**$ 2,825,148,070**	**$ 2,150,455,803**	**$ 2,145,795,774**
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	13.7 %	38.4 %	38.2 %	(24.0) %	(24.0) %
FTE Positions	2,297.3	2,283.3	2,283.3	2,283.3	2,283.3

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.

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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 on approximately 10,000 of the state highway system's more than 140,372 miles of public roads and highways in total (KSA 68-406(a)). Of those miles, approximately 10,000 are maintained by KDOT, 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. The agency indicates that in March 2021, the functions and personnel for information technology services were separated from the Program of Administration and made into a new program, the Program of Information Technology Services. All expenditures for the Program of Information Technology Services are included in the Administration Subprogram.

The Program of Project Delivery was created in September 2020 from the staff of the Program of Operations, and the Program of Operations was renamed the Program of Field Operations. Expenditures for the Program of Project Delivery are in the Operations Support Subprogram and the Construction Inspection Subprogram.

These adjustments have not yet been reflected in the agency budget submission.

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.

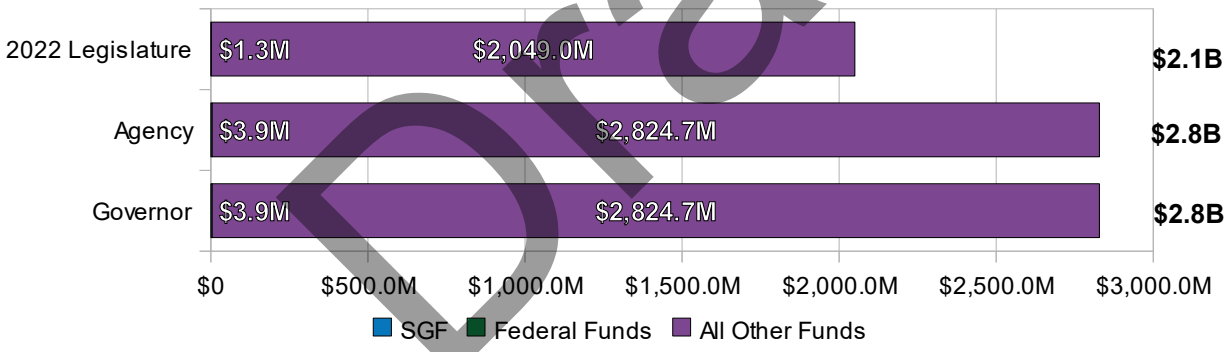
For state budgeting and accounting purposes, an expenditure is categorized as reportable only when it initially is spent to avoid double counting. Consequently, when reviewing KDOT's budget, most tabular data (including those in the Governor's Budget Report) reflect reportable expenditures and exclude spending of non-reportable money. Non reportable expenditures account for inter-fund transfers, including those from the State Highway Fund, to other entities where the reportable expenditure occurs. The magnitude of non-reportable spending by KDOT is significant. Within the agency's budget submission, non-reportable expenditures include $281.0 million in FY 2023 and $175.0 million for FY 2024.

EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of $2,050,284,556, all from special revenue funds, for the Kansas Department of Transportation for FY 2023. No adjustments have been subsequently made to that amount.

FIGURE 2

BUDGET HIGHLIGHTS, FY 2023



The **agency** submits a revised estimate of $2.8 billion, including $2.3 billion from the State Highway Fund, in expenditures in FY 2023. This is an all funds increase of $778.4 million, or 38.0 percent, and a State Highway Fund increase of $661.3 million, or 40.4 percent, above the FY 2023 approved amount. This is the third year of the IKE Transportation Plan, and expenditures include increased capital improvement in the Construction Program for the letting of highway expansion projects ($478.2 million), preservation projects ($87.6 million), modernization ($38.3 million), and local projects ($21.2 million), as well as increased debt service payments on highway bonds ($95.7 million). The revised estimate includes an enhancement request of $8.8 million for capital improvement costs of buildings due to inflationary effects. The increase also includes increased expenditures for salaries and wages, engineering contractual services, rail improvements, and technology development. The increase is partially offset by decreased expenditures for replacement of heavy equipment. The revised estimate includes 2,283.3 FTE positions, which is a decrease of 14.0 FTE positions below the FY 2023 approved number. The position decrease is attributed to the elimination of vacant equipment operator and engineering positions.

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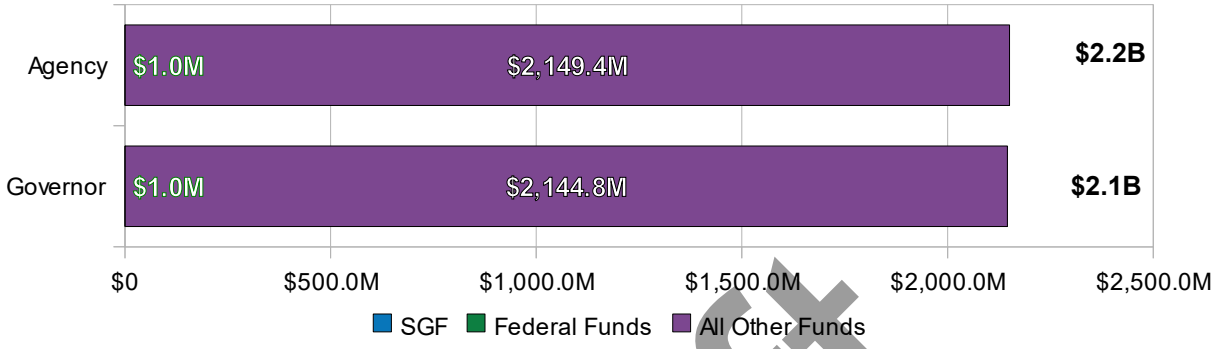
The **Governor** recommends $2.8 billion, including $2.3 billion from the State Highway Fund, in expenditures in FY 2023. This is decrease of $3.5 million, all from special revenue funds, or 0.1 percent, below the FY 2023 revised estimate. The decrease is due to a decreased revised highway revenue estimate. The Governor concurs with the agency's capital improvements request in FY 2023. The recommendation includes 2,283.3 FTE positions, which is unchanged from the FY 2023 revised estimate number.

FIGURE 3

BUDGET HIGHLIGHTS, FY 2024



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

The **Governor** recommends $2.1 billion, including $1.8 billion from the State Highway Fund, in expenditures for FY 2024. This is an all funds decrease of $4.7 million, or 0.2 percent, and a State Highway Fund decrease of $433,415, or less than 0.1 percent, below the FY 2024 requested amount. The decrease is primarily due to a decreased revised highway revenue estimate ($4.2 million). The decrease is also due to the Governor recommending a modified pay plan that reduces the pay increase for certain engineering positions. The Governor concurs with the agency's capital improvements request for FY 2024. The recommendation includes 2,283.3 FTE positions, which is unchanged from the FY 2024 requested number.

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EXPENDITURES AND FINANCING

FIGURE 4

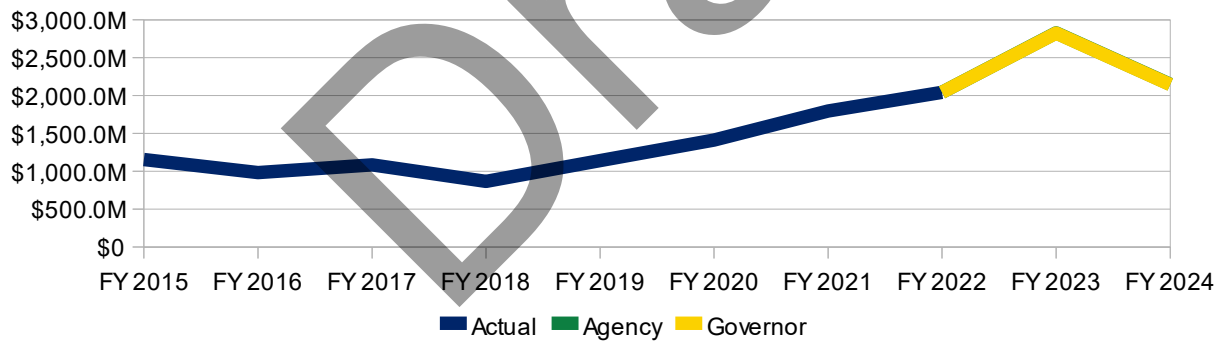
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Category of Expenditure:					
Salaries and Wages	$ 143,193,684	$ 166,378,071	$ 166,378,071	$ 174,528,020	$ 174,094,605
Contractual Services	188,771,769	191,061,089	191,061,089	189,169,256	189,169,256
Commodities	39,578,387	46,986,651	46,986,651	47,043,444	47,043,444
Capital Outlay	37,445,262	18,995,880	18,995,880	22,667,999	22,667,999
Debt Service Interest	80,047,040	72,155,372	72,155,372	64,870,110	64,870,110
Subtotal	*$ 489,036,142*	*$ 495,577,063*	*$ 495,577,063*	*$ 498,278,829*	*$ 497,845,414*
Aid to Local Units	194,133,122	228,766,708	225,253,057	232,342,806	228,116,192
Other Assistance	40,444,739	73,833,789	73,833,789	48,535,122	48,535,122
Subtotal–Operating	*$ 723,614,003*	*$ 798,177,560*	*$ 794,663,909*	*$ 779,156,757*	*$ 774,496,728*
Capital Improvements	1,193,175,698	1,799,074,161	1,799,074,161	1,267,884,046	1,267,884,046
Debt Service Principal	127,385,000	231,410,000	231,410,000	103,415,000	103,415,000
TOTAL	**$ 2,044,174,701**	**$ 2,828,661,721**	**$ 2,825,148,070**	**$ 2,150,455,803**	**$ 2,145,795,774**
Financing:					
State General Fund	$ -	$ -	$ -	$ -	$ -
Federal Funds	12,165,684	3,939,679	3,939,679	1,015,000	1,015,000
All Other Funds	2,032,009,017	2,824,722,042	2,821,208,391	2,149,440,803	2,144,780,774
TOTAL	**$ 2,044,174,701**	**$ 2,828,661,721**	**$ 2,825,148,070**	**$ 2,150,455,803**	**$ 2,145,795,774**
FTE Positions	2,297.3	2,283.3	2,283.3	2,283.3	2,283.3

TOTAL EXPENDITURES - REPORTABLE

FIGURE 5

TOTAL EXPENDITURES, FY 2015 – FY 2024



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For the Kansas Department of Transportation, reportable operating expenditures increased by $888.5 million from FY 2015 to FY 2022. The majority of expenditures are for the letting of construction projects that preserve, modernize, and expand the roads and bridges that compose the state highway system. Construction projects have averaged 75.7 percent of the agency's annual budget since implementation of the IKE Transportation Plan in FY 2021. Other significant expenditures include aid to local governments, primarily from the Special City and County Highway Fund, and routine maintenance of the highway system

FY 2023 ANALYSIS

FIGURE 6

SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	$ -	$ 2,050,284,556	$ 2,050,284,556	2,297.3
1. No Changes	-	-	-	--
Subtotal–Legislative Approved	*$ -*	*$ 2,050,284,556*	*$ 2,050,284,556*	*2,297.3*
Agency Revised Estimate:				
2. Supplemental–Buildings CI Cost Increases	$ -	$ 8,764,784	$ 8,764,784	--
3. Salaries and Wages	-	1,354,293	1,354,293	(14.0)
4. Heavy Equipment	-	(4,394,410)	(4,394,410)	--
5. UAS		300,000	300,000	--
6. Engineering Contractual Services	-	19,141,436	19,141,436	--
7. Transportation Planning Tech Development	-	10,000,000	10,000,000	--
8. Aviation	-	2,614,283	2,614,283	--
9. Public Transit	-	7,820,830	7,820,830	--
10. Rail Service Improvement Fund	-	13,270,165	13,270,165	--
11. Short Line Rail Improvement Fund	-	2,162,418	2,162,418	--
12. Local Projects	-	(4,000,000)	(4,000,000)	--
13. Highway Maintenance Contractual Services	-	(1,376,740)	(1,376,740)	--
14. Construction Expansion - CI	-	478,168,376	478,168,376	--
15. Construction Preservation - CI	-	87,584,972	87,584,972	--
16. Construction Modernization - CI	-	38,328,677	38,328,677	--
17. Construction Local - CI	-	21,191,861	21,191,861	--
18. Buildings - CI	-	1,452,258	1,452,258	--
19. Debt Service	-	95,718,405	95,718,405	--
20. All Other Adjustments	-	275,557	275,557	--
Subtotal–Agency Revised Estimate	*$ -*	*$ 2,828,661,721*	*$ 2,828,661,721*	*2,283.3*
Governor's Recommendation:				
21. Revised Highway Revenue Estimate	-	(3,513,651)	(3,513,651)	--
TOTAL	**$ -**	**$ 2,825,148,070**	**$ 2,825,148,070**	**2,283.3**

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LEGISLATIVE APPROVED

Subsequent to the 2022 Session, no adjustments were made to the $2.1 billion approved for the Kansas Department of Transportation for FY 2023.

1. **NO CHANGES.** No adjustments were made to the FY 2023 approved amount.

AGENCY ESTIMATE

The **agency** submits a revised estimate of $2.8 billion, including $2.3 billion from the State Highway Fund, in expenditures in FY 2023. This is an all funds increase of $778.4 million, or 38.0 percent, and a State Highway Fund increase of $661.3 million, or 40.4 percent, above the FY 2023 approved amount. The revised estimate includes 2,283.3 FTE positions, which is a decrease of 14.0 FTE positions below the FY 2023 approved number.

The **agency** estimate includes the following adjustments:

2. **SUPPLEMENTAL–BUILDINGS CI COST INCREASES.** The agency requests $8.8 million, all from State Highway Fund, for increased capital improvement (CI) costs for buildings in FY 2023. The agency notes a nearly 50.0 percent increase in material and services for building projects due to inflationary effects and requests additional funding to supplement construction of the District One Headquarters in Topeka, Subarea Modernization efforts, and routine rehabilitation and repair of buildings.

3. **SALARIES AND WAGES.** The revised estimate includes an increase of $1.4 million, all from the State Highway Fund, for salaries and wages expenditures in FY 2023. This funding includes a partial year pay increase to address staffing needs in traffic safety, engineering, information technology (IT) services, and financial management. The request includes a decrease of 14.0 FTE positions, which results from a decrease of 54.5 FTE positions in the Maintenance and Construction programs, partially offset by an increase of 40.5 FTE positions in the Administration and Transportation Planning and Modal Support programs. The agency indicates the position decrease is due to difficulties filling vacant equipment operator and engineer positions.

4. **HEAVY EQUIPMENT.** The revised estimate includes a decrease of $4.4 million for replacement of heavy equipment, primarily dump trucks for highway maintenance, in FY 2023. The agency notes additional equipment was purchased in FY 2022 above the original estimate in anticipation of pending supply chain disruptions, which reduces the need in FY 2023.

5. **UNMANNED AERIAL SYSTEMS (UAS).** The revised estimate includes an increase of $300,000 for the purchase of UAS to support highway and bridge inspections.

6. **ENGINEERING CONTRACTUAL SERVICES.** The revised estimate includes an increase of $19.1 million in contractual engineering services in FY 2023. These increased services support planning and inspections of highway modernization and preservation projects, primarily in the Administration and Construction programs.

7. **TRANSPORTATION PLANNING TECH DEVELOPMENT.** The revised estimate includes an increase of $10.0 million as aid to local governments for technology development. This includes $5.0 million from the Broadband Infrastructure Construction Grant Fund for broadband expansion and $10.0 million from the Transportation Technology Development Fund for development of innovative technologies in vehicular and air transportation.

8. **AVIATION.** The revised estimate includes an increase of $2.6 million for the Aviation subprogram in FY 2023. The increase is attributable to the addition of $5.5 million from the State Highway Fund for development of UAS capabilities. The increase is offset by a decrease of $2.9 million for the Kansas Airport Improvement Program, which provides grants to local airport for facilities improvements.

9. **PUBLIC TRANSIT.** The revised estimate includes an increase of $7.8 million in operating assistance for the transport of persons with disabilities, older adults, and the general public. The increase is attributable to increased funding from the Federal Transit Administration.

10. **RAIL SERVICE IMPROVEMENT FUND.** The revised estimate includes an increase of $13.3 million to rehabilitate and make safety improvements to railroads. The increase is primarily attributed to increased federal funding.

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11. **SHORT LINE RAIL IMPROVEMENT FUND.** The revised estimate includes an increase of $2.2 million for short-line rail improvements. These are primarily unexpended moneys carried over from FY 2022.

12. **LOCAL PROJECTS.** The revised estimate includes a decrease of $4.0 million as aid to cities and counties through the Federal Fund Exchange Program for preservation and improvements of local roads, streets, and bridges.

13. **HIGHWAY MAINTENANCE CONTRACTUAL SERVICES.** The revised estimate includes a decrease of $1.4 million for contracted highway maintenance services that exceed agency capabilities. Expenditures include aspects such as equipment rental, litter removal, and weed spraying, as well as technical services for maintaining highway lighting systems, traffic signals, and message boards.

14. **CONSTRUCTION EXPANSION - CI.** The revised estimate includes an increase of $478.2 million in capital improvements (CI) expansion projects. The increase is primarily due to increased Non-Interstate capacity projects ($346.3 million) and Interstate capacity projects ($97.3 million). Projects include I-235 in Sedgwick County, US-54, and US-69.

15. **CONSTRUCTION PRESERVATION - CI.** The revised estimate includes an increase of $87.6 million in capital improvement preservation projects to maintain roads and bridges in as-built condition. The increase is primarily attributable to Non-Interstate pavement resurfacing ($47.9 million) and bridge repair and replacement ($14.5 million).

16. **CONSTRUCTION MODERNIZATION - CI.** The revised estimate includes an increase of $38.3 million in capital improvements modernization projects to bring roads up to current standards. The increase is primarily attributed to increased integration of innovative technologies ($20.3 million), such as Connected Vehicles Infrastructure, as well as Non-Interstate roadway improvements ($10.2 million), such as pavement replacement.

17. **CONSTRUCTION LOCAL - CI.** The revised estimate includes an increase of $21.2 million in capital improvements local projects. The increase is attributable to increases for the City Connecting Link Program ($19.6 million) and federal aid projects ($7.7 million), which is partially offset by a decrease in the Local Bridge Transfer Program ($6.2 million)

18. **BUILDINGS - CI.** The revised estimate includes an increase of $1.5 million in capital improvements expenditures for buildings. The increase primarily includes Subarea Modernization and partial support of a land purchase for relocation of the District One Headquarters in Topeka in FY 2023.

19. **DEBT SERVICE.** The revised estimate includes an increase of $95.7 million, all from the Highway Bond Debt Service Fund, in FY 2023. This includes increased principle payments ($97.8 million), partially offset by decreased interest payments ($2.1 million).

20. **ALL OTHER ADJUSTMENTS.** Other adjustments include increased expenditures for gasoline and diesel fuel, partially offset by a decrease in highway construction material.

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GOVERNOR'S RECOMMENDATION

The **Governor** recommends $2.8 billion, including $2.3 billion from the State Highway Fund, in expenditures in FY 2023. This is decrease of $3.5 million, all from special revenue funds, or 0.1 percent, below the FY 2023 revised estimate. The recommendation includes 2,283.3 FTE positions, which is unchanged from the FY 2023 revised estimate number.

The **Governor's** recommendation includes the following adjustments:

21. **REVISED HIGHWAY REVENUE ESTIMATE.** The recommendation includes a decrease of $3.5 million, all from the Special City and County Highway Fund, budgeted as aid to local units of government in FY 2023. The revenue decrease is due a decreased revised estimate from the Highway Revenue Estimating Group.

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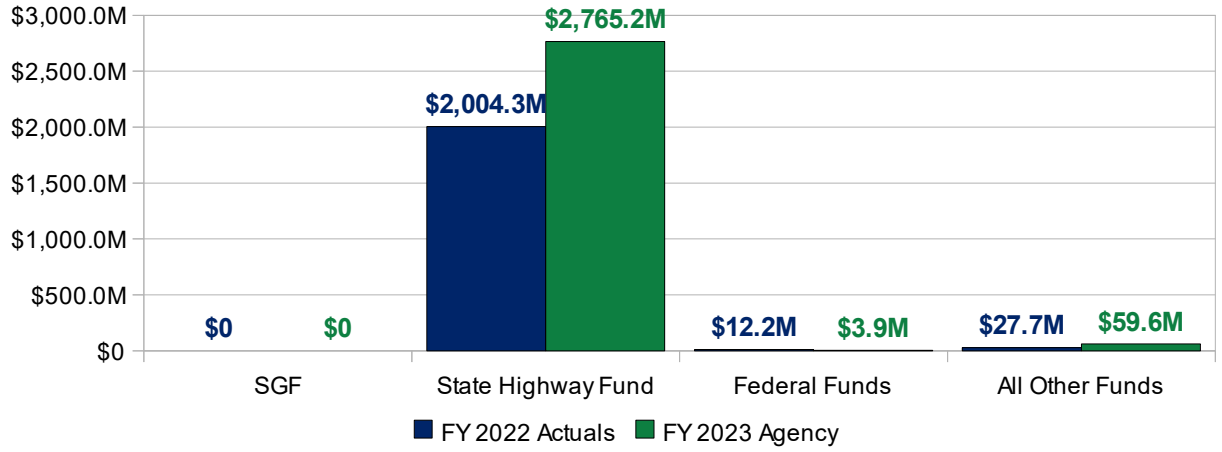
FY 2023 CHANGE FROM ACTUAL EXPENDITURES

FIGURE 7

CHANGE FROM ACTUAL EXPENDITURES, FY 2023



The **agency** submits a revised estimate of $2.8 billion, including $2.3 billion from the State Highway Fund, in expenditures in FY 2023. This is an all funds increase of $784.5 million, or 38.4 percent, and a State Highway Fund increase of $663.6 million, or 40.6 percent, above the FY 2023 approved amount. The increase is attributable to increased capital improvements for the letting of highway construction projects ($607.2 million), debt service payments ($96.1 million), salaries and wages expenditures ($23.2 million), and grants and assistance primarily for rail improvements and public transit. The increase is partially offset by decreased expenditures for the purchase of heavy equipment ($19.1 million) and contractual engineering services ($5.1 million).

The revised estimate includes 2,283.3 FTE positions, which is a decrease of 14.0 FTE positions below the FY 2022 actual number. The agency indicates the position decrease is attributed to difficulties filling vacant equipment operator and engineering positions in the Maintenance and Construction programs.

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FY 2024 ANALYSIS

FIGURE 8

SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	$ -	$ 2,828,661,721	$ 2,828,661,721	2,283.3
Agency Request:				
1. Salaries and Wages	$ -	$ 8,149,949	$ 8,149,949	--
2. Engineering Contractual Services	-	(2,476,986)	(2,476,986)	--
3. Heavy Equipment	-	3,530,056	3,530,056	--
4. Information Technology	-	930,000	930,000	--
5. Transportation Planning Tech Development	-	(1,000,000)	(1,000,000)	--
6. Aviation	-	2,885,717	2,885,717	--
7. Public Transit	-	(3,567,970)	(3,567,970)	--
8. Rail Service Improvement Fund	-	(13,395,165)	(13,395,165)	--
9. Short Line Rail Improvement Fund	-	(7,162,418)	(7,162,418)	--
10. Local Projects	-	665,875	665,875	--
11. Construction Expansion - CI	-	(729,368,457)	(729,368,457)	--
12. Construction Preservation - CI	-	23,138,766	23,138,766	--
13. Construction Modernization - CI	-	173,313,187	173,313,187	--
14. Construction Local - CI	-	10,468,532	10,468,532	--
15. Buildings - CI	-	(8,742,143)	(8,742,143)	--
16. Debt Service	-	(135,280,262)	(135,280,262)	--
17. All Other Adjustments	-	(294,599)	(294,599)	--
Subtotal–Agency Estimate	*$ -*	*$ 2,150,455,803*	*$ 2,150,455,803*	*2,283.3*
Governor's Recommendation:				
18. Salaries and Wages	$ -	$ (433,415)	$ (433,415)	--
19. Revised Highway Revenue Estimate	-	(4,226,614)	(4,226,614)	--
TOTAL	**$ -**	**$ 2,145,795,774**	**$ 2,145,795,774**	**2,283.3**

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AGENCY REQUEST

The **agency** requests $2.2 billion, including $1.8 billion from the State Highway Fund, in expenditures for FY 2024. This is an all funds decrease of $678.2 million, or 24.0 percent, and a State Highway Fund decrease of $521.8 million, or 22.7 percent, below the FY 2023 revised estimate. The request includes 2,283.3 FTE positions, which is unchanged from the FY 2023 revised number.

The **agency** request includes the following adjustments:

1. **SALARIES AND WAGES.** The request includes an increase of $8.1 million, all from the State Highway Fund, for salaries and wages expenditures for FY 2024. This includes $6.9 million for a pay plan among certain critical positions, such as equipment operators, engineering technicians, equipment mechanics, and professional engineers. The agency indicates this pay plan would affect approximately 1,500 FTE positions, with all positions in the plan receiving at least a 5.0 percent pay increase and certain positions, such equipment mechanics and civil engineers, receiving more. Other increases in salary and wages expenditures are attributed to adjustments for employer contributions to fringe benefits agency-wide.

2. **ENGINEERING CONTRACTUAL SERIVES.** The request includes a decrease of $2.5 million in contractual engineering services for FY 2024. The decrease is attributable to decreased services in the Administration Program ($3.3 million), partially offset by increased services in the Transportation Planning and Model Support Program ($1.3 million).

3. **HEAVY EQUIPMENT.** The request includes an increase of $3.5 million for the replacement of heavy equipment to support highway maintenance in FY 2023. The agency notes this increase would restore one-time reductions for heavy equipment in FY 2023 and resume the regular schedule of equipment replacement.

4. **INFORMATION TECHNOLOGY.** The request includes an increase of $930,000 for development and maintenance of numerous IT platforms utilized throughout the agency. Platforms include traffic safety data collection, project management, grants management, bridge inspection, and right-of-way land inventory.

5. **TRANSPORTATION PLANNING TECH DEVELOPMENT.** The request includes a decrease of $1.0 million, from the Transportation Technology Development Fund, in aid to local governments for development of innovative technologies in vehicular and air transportation.

6. **AVIATION.** The request includes an increase of $2.9 million for the Kansas Airport Improvement Program, which provides grants to local airports for planning and facilities improvements for FY 2024.

7. **PUBLIC TRANSIT.** The request includes a decrease of $3.6 million in assistance for the transport of persons with disabilities, older adults, and the general public. The decrease is attributable to decreased funding from the Federal Transit Administration.

8. **RAIL SERVICE IMPROVEMENT FUND.** The request includes a decrease of $13.4 million for rehabilitation and safety improvements to railroads. The decrease is primarily attributed to decreased federal funding.

9. **SHORT LINE RAIL IMPROVEMENT FUND.** The revised estimate includes a decrease of $7.2 million for short-line rail improvements. An annual transfer of $5.0 million from the State Highway Fund to the this fund is scheduled to cease after FY 2023, pursuant to 2020 SB 173, or the IKE Transportation Plan.

10. **LOCAL PROJECTS.** The request includes an increase of $665,875 from the Special City and County Highway Fund as formula grants to cities and counties for preservation and improvements of local roads, streets, and bridges. The increase is attributed to to increased revenue from motor fuel taxes.

11. **CONSTRUCTION EXPANSION - CI.** The request includes a decrease of $729.4 million in capital improvements (CI) expansion projects. The decrease is primarily due to decreased Non-Interstate capacity projects ($556.9 million) and Interstate capacity projects ($8.0 million), partially offset by increased cost share projects ($8.0 million) that require a 15.0 percent non-state cash match.

12. **CONSTRUCTION PRESERVATION - CI.** The request includes an increase of $23.1 million in capital improvement preservation projects to maintain roads and bridges in as-built condition. The increase is primarily attributable to increased highway bridge replacement ($71.9 million), partially offset by decreased roadway improvement projects for Non-Interstates ($38.0 million) and Interstate ($15.6 million) highways.

13. **CONSTRUCTION MODERNIZATION - CI.** The request includes an increase of $173.3 million in capital improvements modernization projects to bring roads up to current standards. The increase is primarily attributed to increased Non-Interstate roadway

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improvements ($195.0 million), partially offset by decreased integration of innovative technologies ($21.1 million), such as Connected Vehicles Infrastructure.

14. **CONSTRUCTION LOCAL - CI.** The request includes an increase of $10.5 million in capital improvements local projects. The increase is attributable to increases funding for Federal Aid projects ($31.7 million), partially offset by decreases in the City Connecting Link Program ($19.1 million) and the Local Bridge Transfer Program ($2.3 million).

15. **BUILDINGS - CI.** The request includes a decrease of $8.7 million in capital improvements expenditures for buildings. The decrease is primarily attributed to expenditures for the initial phase of constructing the District One Headquarters in Topeka that do not reoccur for FY 2024.

16. **DEBT SERVICE.** The revised estimate includes a decrease of $135.5 million, all from the Highway Bond Debt Service Fund, for FY 2024. This includes decreased payments for debt principal ($128.0 million) and interest ($7.3 million).

17. **ALL OTHER ADJUSTMENTS.** Other adjustments include a decrease of $300,000 from the State Safety Fund for drivers training courses in Kansas schools and truck driver training in area technical colleges.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends $2.1 billion, including $1.8 billion from the State Highway Fund, in expenditures for FY 2024. This is an all funds decrease of $4.7 million, or 0.2 percent, and a State Highway Fund decrease of $433,415, or less than 0.1 percent, below the FY 2024 requested amount. The recommendation includes 2,283.3 FTE positions, which is unchanged from the FY 2024 requested number.

The **Governor's** recommendation includes the following adjustments:

18. **SALARIES AND WAGES.** The recommendation includes a decrease of $433,415, all from the State Highway Fund, for an agency plan for salary increases for certain critical positions for FY 2024. The decrease is due the Governor recommending a modified pay plan that reduces a pay increase for civil engineers from 25.0 percent to 17.5 percent (Item 1).

19. **REVISED HIGHWAY REVENUE ESTIMATE.** The recommendation includes a decrease of $4.2 million, all from the Special City and County Highway Fund, budgeted as aid to local units of government for FY 2024. The revenue decrease is due a decreased revised estimate from the Highway Revenue Estimating Group.

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SUPPLEMENTAL REQUESTS

FIGURE 9
FY 2023 SUPPLEMENTALS

Item	Agency Recommendation SGF	Agency Recommendation All Funds	Agency Recommendation FTE	Governor's Recommendation SGF	Governor's Recommendation All Funds	Governor's Recommendation FTE
Buildings - CI Cost Increases	$ -	$ 8,764,784	--	$ -	$ 8,764,784	--
TOTAL	**$ -**	**$ 8,764,784**	**--**	**$ -**	**$ 8,764,784**	**--**

BUILDINGS - CAPITAL IMPROVEMENTS COST INCREASES

The agency requests $8.8 million, all from State Highway Fund, for increased capital improvement (CI) costs for building projects in FY 2023. Since July 2021, the agency has observed cost increases for capital improvement projects of nearly 50.0 percent, which is attributed to inflationary effects. These cost increases resulted in the delay some projects, such as shifting bay extension and electrical systems upgrades at the Wichita Hillside Area Shop from FY 2022 to FY 2023.

This request totaling $8.8 million would address rising capital improvement costs for the following projects in FY 2023:

- $5.5 million for construction of the new District One Headquarters in Topeka
- $2.7 million for Subarea Modernization; and
- $600,000 for rehabilitation and repair costs.

The Governor recommends adoption of this request.

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SPECIAL TOPICS

FEDERAL BIPARTISAN INFRASTRUCTURE LAW

The federal Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law (BIL), was enacted on November 15, 2021. The agency estimates that the State of Kansas will receive $3.8 billion in formula funds over a period of five years. Total formula funding from BIL over this five-year period includes the following:

- $2.6 billion for highways;
- $225.0 million for bridge replacement and repair;
- $272.0 million for public transit;
- $109.0 million for airports;
- $40.0 million for transportation electrification;
- $100.0 million for broadband;
- $424.0 million for water infrastructure;
- $25.0 million for infrastructure improvement resilient to weather events; and
- $14.0 million for cybersecurity.

Of this $3.8 billion, the agency estimates receiving $750.0 million in formula funding above previous federal allocations over a period of five years. This equates to $150.0 annually, which the agency anticipates expending for highways ($90.0 million), bridges ($45.0 million), transportation electrification ($8.0 million), rural transit ($3.7 million), and carbon reduction ($4.3 million). This excludes any non-formula funding the agency may receive through competitive grants.

INTERIM COMMITTEE RECOMMENDATION

During the 2022 Interim, the Legislative Budget Committee included the following recommendation in its report to the 2023 Legislative:

- KDOT should consider conducting a cost analysis study to construct or enhance mass transit systems in Johnson, Sedgwick, and Wyandotte counties to address economic growth in those areas and changing travel behaviors. The study should propose what such transit systems would look like and account for any federal funds estimated to be available in future years.

Draft

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 10

EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024

Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	$ 57,619,882	$ 67,046,221	$ 67,046,221	$ 65,225,951	$ 65,105,078
Transportation Planning and Modal Support	73,546,921	147,130,227	147,130,227	125,840,798	125,802,364
Local Support	178,523,555	185,137,291	181,623,640	185,548,350	181,259,302
Maintenance	166,003,223	165,257,880	165,257,880	173,278,583	173,258,712
Construction	1,568,481,120	2,264,090,102	2,264,090,102	1,600,562,121	1,600,370,318
TOTAL	**$ 2,044,174,701**	**$ 2,828,661,721**	**$ 2,825,148,070**	**$ 2,150,455,803**	**$ 2,145,795,774**
FTE Positions:					
Administration	396.8	418.8	418.8	418.8	418.8
Transportation Planning and Model Support	90.0	108.5	108.5	108.5	108.5
Local Support	23.0	23.0	23.0	23.0	23.0
Maintenance	1,142.0	1,110.0	1,110.0	1,110.0	1,110.0
Construction	645.5	623.0	623.0	623.0	623.0
TOTAL	**2,297.3**	**2,283.3**	**2,283.3**	**2,283.3**	**2,283.3**

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.

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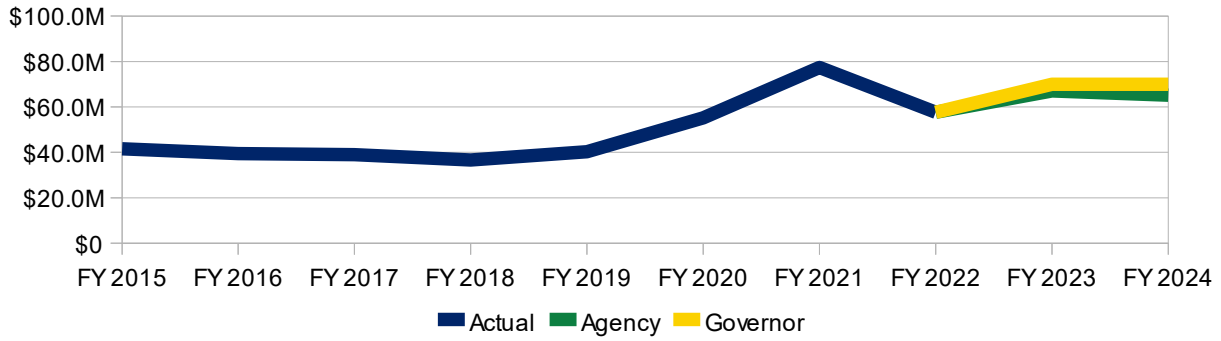
ADMINISTRATION

FIGURE 11

ADMINISTRATION EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • KSA 75-5006, KSA 75-3717, KSA 68-2303 *et seq.*, KSA 68-2320 *et seq.*, KSA 75-3739, KSA 68-2315, KSA 75-6401-75-6407, KSA 75-3734, Title 23 Code of Federal Regulations; 23 USC 112

PROGRAM GOALS: • Provide the direction, planning, coordination, communication, and administrative support that foster an integrated, multi-modal transportation system to meet the needs of Kansas.

The state 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, this program is composed of the following three subprograms: Administration, Office of the Secretary, and Operations Support.

Draft

FIGURE 12

ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of Bridges on the State Highway System in "Good" Condition	70.7%	71.0%	71.7%	71.0%	70.0%
2. Percent of Bridges on the State Highway System in "Poor" Condition*	1.9%	2.4%	1.9%	2.6%	2.4%
3. Percent of Interstate State Highway System Miles Classified as "Good" for Pavement Condition*	57.0%	58.0%	58.0%	59.0%	60.0%
4. Percent of Non-Interstate State Highway System Miles Classified as "Good" for Pavement Condition	59.0%	59.0%	59.0%	60.0%	61.0%
5. Percent of Projects Let within 120 Days of the Originally Scheduled Let Date	86.0%	84.0%	86.0%	90.0%	90.0%
6. Percent of Highway Construction Projects Completed Over (+) or Under (-) Highway Budget	1.7%	1.9%	1.2%	0.0%	0.0%

Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	$ -	$ -		$ -	$ -
Federal Funds	30,434,010	7,554,512		3,024,679	-
All Other Funds	46,978,287	50,065,370		64,021,542	65,105,078
TOTAL	$ 77,412,297	$ 57,619,882		$ 67,046,221	$ 65,105,078
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	40.2 %	(25.6) %		16.4 %	(2.9) %
FTE Positions	371.8	396.8		418.8	418.8

*Performance measure not evaluated by the Office of Governor.

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BUDGET ANALYSIS

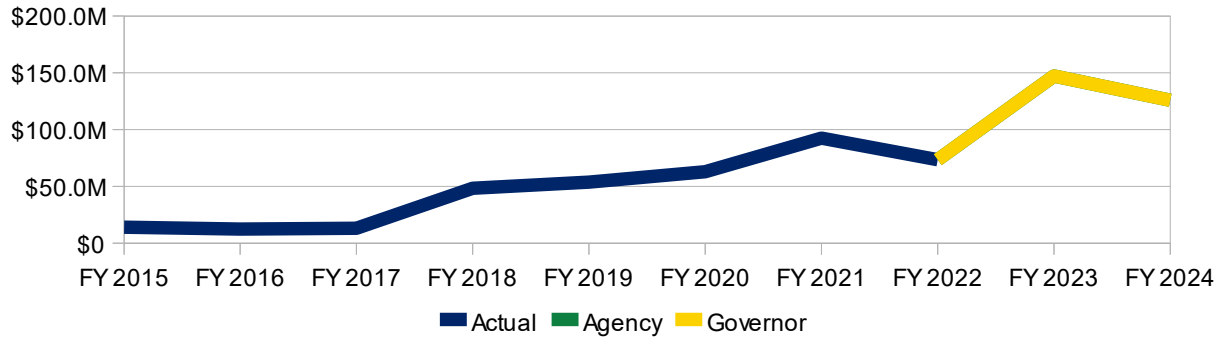
The **agency** requests $65.2 million, all from the State Highway Fund, for the Administration program for FY 2024. This is a decrease of $1.8 million, or 2.7 percent, below the FY 2023 revised estimate. The decrease is attributable to decreased expenditures for contracted engineering services ($3.3 million), which is due to decreased federal funding. The decrease is partially offset by increased expenditures for information systems consulting ($780,00) and salaries and wages ($760,332).

The **Governor** recommends $65.1 million, all from the State Highway Fund, for the Administration program for FY 2024. This is a decrease of $120,873, all from the State Highway Fund, or 0.2 percent, below the FY 2024 requested amount. The decrease is due to the Governor recommending a modified pay plan that reduces a pay increase for civil engineers.

TRANSPORTATION PLANNING AND MODAL SUPPORT

FIGURE 13

TRANSPORTATION PLANNING AND MODAL SUPPORT EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • Federal Highway Safety Act of 1966, 23 USC Chapter 4, KSA 75-5009, KSA 75-5032 through 75-5048, KSA 68-2314b, 49 USC 5311(f), KSA 68-5010, KSA 75-5011, and KSA 75-5061

PROGRAM GOALS: • Provide planning, coordination, and assistance to ensure a safe, efficient, and reliable multi-modal transportation network on and off the State Highway System.

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 the Eisenhower Legacy Transportation Program (IKE). 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 composed of the following five subprograms: Traffic Safety, Transit, Transportation Planning, Aviation, and Rail and Freight.

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FIGURE 14

TRANSPORTATION PLANNING AND MODAL SUPPORT, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Fatalities Per Hundred Million Vehicles Miles Traveled on all Roads in Kansas	1.36	1.38	1.44	N/A	N/A
2. Percentage of Drivers and Passengers Using Safety Belts*	86.0%	86.0%	86.0%	87.0%	88.0%
3. Percent of Counties with Transit Services Available	84.0%	90.0%	85.7%	89.0%	90.0%
4. Annual Ridership for Rural Public Transit Operators in Kansas*	1,111,907	1,804,527	1,703,727	1,630,009	1,470,400
5. Annual Ridership for Urban Public Transit Operators in Kansas*	3,386,886	4,807,272	4,769,875	4,680,472	4,222,952
6. Number of Modernization Miles Programmed for Construction	48	66	51	43	117
7. Number of Modernization Bridges and Culverts Programmed for Construction	25	9	12	1	36

FIGURE 14

TRANSPORTATION PLANNING AND MODAL SUPPORT, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
8. Percent of Kansas Aviation Airport Improvement Program Dollars Funded of Total Dollars Requested*	18.0%	10.0%	16.0%	20.0%	20.0%
Output Measure:					
9. Number of Public Use Airports Inspected	7	43	19	43	44

Financing	Actual FY 2021	Actual FY 2022	Governor FY 2023	Governor FY 2024
SGF	$ -	$ -	$ -	$ -
Federal Funds	4,684,979	4,611,172	915,000	1,015,000
All Other Funds	87,950,728	68,935,749	146,215,227	124,787,364
TOTAL	$ 92,635,707	$ 73,546,921	$147,130,227	$125,802,364
Percentage Change:				
SGF	-- %	-- %	-- %	-- %
All Funds	47.2 %	(20.6) %	100.0 %	(14.5) %
FTE Positions	80.0	90.0	108.5	108.5

*Performance measure not evaluated by the Office of Governor.

BUDGET ANALYSIS

The **agency** requests $125.8 million, including $78.4 million from the State Highway Fund, for the Transportation Planning and Modal Support program for FY 2024. This is an all funds decrease of $21.3 million, or 14.5 percent, and a State Highway Fund decrease of $3.2 million, or 3.9 percent, below the FY 2023 revised estimate. The decrease is attributable to decreased grants and assistance for rail service improvements ($20.6 million) and public transit ($3.6 million), which is primarily due to decreased federal funding. The decrease is partially offset by increased grants from the Kansas Airport Assistance Program ($2.9 million) and increased engineering contractual services ($1.3 million).

The **Governor** recommends $125.8 million, including $78.3 million from the State Highway Fund, for the Transportation Planning and Modal Support program for FY 2024. This is a decrease of $38,434, all from the State Highway Fund, or less than 0.1 percent, below the FY 2034 requested amount. The decrease is due to the Governor recommending a modified pay plan that reduces a pay increase for civil engineers.

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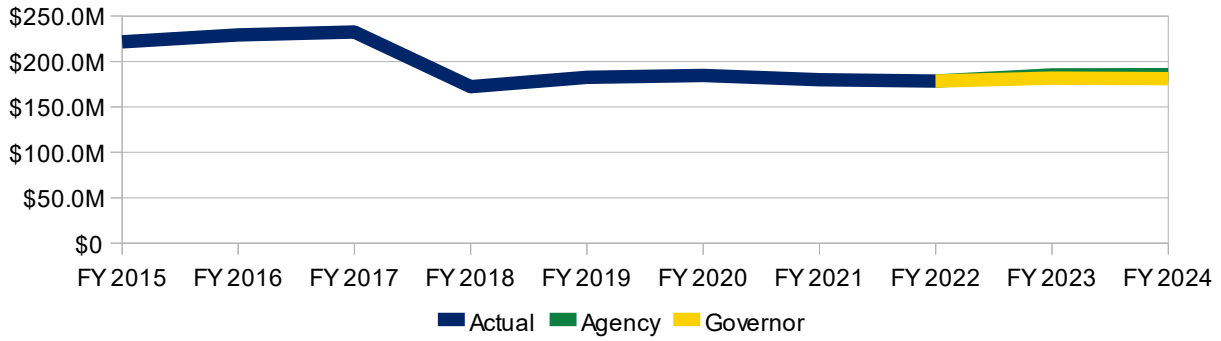
LOCAL SUPPORT

FIGURE 15

LOCAL SUPPORT EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • KSA 79-3425, KSA 79-3425c, KSA 68-2301 *et seq.*, KSA 68-169, KSA 68-412, KSA 68-2301 *et seq.*, Title 23 Code of Federal Regulations

PROGRAM GOALS: • Assist in providing safe, efficient, and reliable local transportation systems.

The stated 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 older adults and people with disabilities; 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 two following subprograms: Special City and County Aid, and Local Projects.

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FIGURE 16

LOCAL SUPPORT. PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Total Dollars (millions) Awarded to Local Public Authorities*	$ 122.4	$ 118.7	$ 127.8	$ 140.0	$ 140.0
2. No. of Projects Awarded to Local Public Authorities	165	141	163	175	175

Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	$ -	$ -		$ -	$ -
Federal Funds	-	258,627		-	-
All Other Funds	180,115,028	178,264,928		181,623,640	181,259,302
TOTAL	$ 180,115,028	$ 178,523,555		$ 181,623,640	$ 181,259,302
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(2.5) %	(0.9) %		1.7 %	(0.2) %
FTE Positions	18.0	23.0		23.0	23.0

*Performance measure not evaluated by the Office of Governor.

BUDGET ANALYSIS

The **agency** requests $185.5 million, including $26.6 million from the State Highway Fund, for the Local Support program for FY 2024. This is an all funds increase of $411,059, or 0.2 percent, and a State Highway Fund decrease of $254,816, or 0.9 percent, from the FY 2023 revised estimate. The increase is attributable to increased aid to local units of government from the Special City and County Highway Fund ($665,875) for formula grants supporting local projects and increased salaries and wages expenditures ($229,763). The increase is partially offset by decreased engineering contractual services ($500,000).

The **Governor** recommends $181.3 million, including $26.6 million from the State Highway Fund, for the Local Support program for FY 2024. This is an all funds decrease of $4.3 million, or 2.3 percent, and a State Highway Fund decrease of $62,434, or less than 0.1 percent, below the FY 2024 requested amount. The all funds decrease includes decreased aid from the Special City and County Highway Fund ($4.2 million) due to revised revenue estimates. The State Highway Fund decrease is due to the Governor recommending a modified pay plan that reduces a pay increase for civil engineers.

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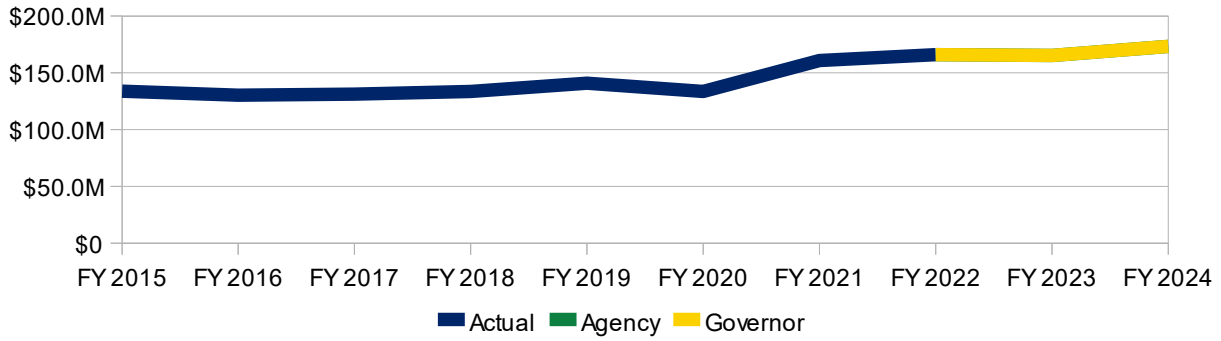
MAINTENANCE

FIGURE 17

MAINTENANCE EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • KSA 75-5001 *et seq.*, KSA 68-401 *et seq.*, KSA 75-5073 through 75-5076

PROGRAM GOALS: • Preserve the State Highway System as built or in an improved condition providing safe and reliable highway facilities.
• Maintain an interoperable statewide 800 MHz radio system to allow local units of government and other potential users onto the system.

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. 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.

Draft

FIGURE 18

MAINTENANCE, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Total Level of Service for Maintenance Quality Assurance Program	89.0	89.5	89.4	89.0	89.0
2. Maintenance Expenditures Per Lane Mile	$ 4,500	$ 4,300	$ 4,333	$ 4,500	$ 4,500
3. Percent of Equipment Exceeding Minimum Usage or Age in Years for Replacement Consideration*	49.0%	45.0%	48.0%	43.0%	43.0%

Financing	Actual FY 2021	Actual FY 2022	Governor FY 2023	Governor FY 2025
SGF	$ -	$ -	$ -	$ -
Federal Funds	-	-	-	-
All Other Funds	160,911,270	166,003,223	165,257,880	173,258,712
TOTAL	$ 160,911,270	$ 166,003,223	$ 165,257,880	$ 173,258,712
Percentage Change:				
SGF	-- %	-- %	-- %	-- %
All Funds	20.5 %	3.2 %	(0.4) %	4.8 %
FTE Positions	1,166.0	1,142.0	1,110.0	1,110.0

*Performance measure not evaluated by the Office of Governor.

BUDGET ANALYSIS

The **agency** requests $173.3 million, including $171.9 million from the State Highway Fund, for the Maintenance program for FY 2024. This is an all funds increase of $8.0 million, or 4.9 percent, and a State Highway Fund increase of $8.7 million, or 5.3 percent, above the FY 2023 revised estimate. The increase is attributable to increased expenditures for replacement of heavy equipment ($3.5 million), which the agency notes would restore one-time reductions for this purpose in FY 2023. The increase is also attributable to increased salaries and wages expenditures ($4.1 million), which includes a pay increase for equipment operators and engineers.

The **Governor** recommends $173.3 million, including $171.9 million from the State Highway Fund, for the Maintenance program for FY 2024. This is a decrease of $19,871, all from the State Highway Fund, or less than 0.1 percent, below the FY 2024 requested amount. The decrease is due to the Governor recommending a modified pay plan that reduces a pay increase for civil engineers.

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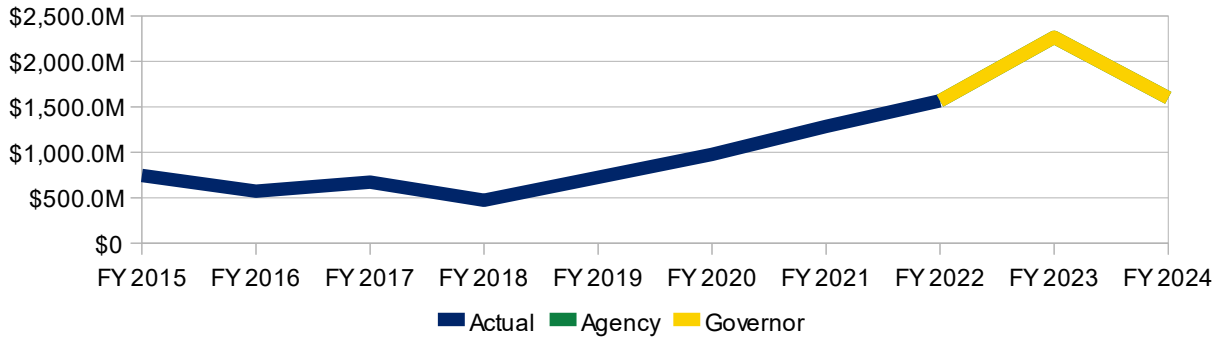
CONSTRUCTION

FIGURE 19

CONSTRUCTION EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • *Kansas Constitution* Article II, Title 23 Code of Federal Regulations, 49 USC 24, KSA 68-401, KSA 68-404, KSA 68-406, KSA 68-407, KSA 68-413 *et seq.*, KSA Chapter 26, KSA 75-5001 *et seq.*, KSA 75-5006 *et seq.*

PROGRAM GOALS: • Develop and construct projects that continue to provide a quality state highway network that effectively meets the needs of the traveling public.

The stated goal of the Construction program is to develop and construct projects that continue to provide a quality state highway network. 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, or 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.

Draft

FIGURE 20

CONSTRUCTION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of Highway Construction Project Completed on Time or Early	95.0%	83.0%	86.0%	90.0%	98.0%
2. Number of Bridges and Culverts Repaired and Repainted	38	42	39	69	44
3. Number of Preservation Miles Programmed for Construction	1,600	1,821	1,769	1,586	1,586
4. Number of Preservation Bridges and Culverts Programmed for Construction	91	111	88	119	103

Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	$ -	$ -		$ -	$ -
Federal Funds	-	-		-	-
All Other Funds	1,286,552,960	1,568,481,120		2,264,090,102	1,600,370,318
TOTAL	$ 1,286,552,960	$ 1,568,481,120		$ 2,264,090,102	$ 1,600,370,318
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(31.5) %	21.9 %		44.3 %	(29.3) %
FTE Positions	644.2	645.5		623.0	623.0

BUDGET ANALYSIS

The **agency** requests $1.6 billion, including $1.4 billion from the State Highway Fund, for the Construction program for FY 2024. This is an all funds decrease of $663.5 million, or 29.3 percent, and a State Highway Fund decrease of $528.2 million, or 26.9 percent, below the FY 2023 revised estimate. The decrease is attributable to decreased capital improvements for expansion projects ($729.4 million) and buildings ($8.7 million), as well as decreased debt service on highway bonds ($135.3 million). The decrease is partially offset by increased capital improvements for modernization projects ($173.3 million) and preservation projects ($23.1 million). The decrease is also partially offset by increase salaries and wages expenditures ($2.8 million), which includes a pay increase for equipment operators and engineers.

The **Governor** recommends $1.6 billion, including $1.4 billion from the State Highway Fund, for the Construction program for FY 2024. This is a decrease of $191,803, all from the State Highway Fund, or less than 0.1 percent, below the FY 2024 requested amount. The decrease is due to the Governor recommending a modified pay plan that reduces a pay increase for civil engineers.

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DEBT SERVICE

FIGURE 21

DEBT SERVICE, GOVERNOR'S RECOMMENDATION, FY 2023 – FY 2024

	FY 2023			FY 2024		
	Principal	Interest	Total	Principal	Interest	Total
TOTAL	$231,410,000	$ 72,155,372	$303,565,372	$103,415,000	$ 64,870,110	$168,285,110
Financing:						
SGF	$ -	$ -	$ -	$ -	$ -	$ -
Federal Funds	-	-	-	-	-	-
All Other Funds	231,410,000	72,155,372	303,565,372	103,415,000	64,870,110	168,285,110
TOTAL	**$231,410,000**	**$ 72,155,372**	**$303,565,372**	**$103,415,000**	**$ 64,870,110**	**$168,285,110**

This section details principal and interest costs related to bond debt for KDOT. These expenditures are included as part of the Construction program. At the beginning of FY 2023, outstanding transportation programs debt totaled $2.3 billion with $1.7 billion in projected principal payments and $528.8 million in interest payments.

The final payment of $29.3 million is scheduled for FY 2038.

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CAPITAL IMPROVEMENTS

The Kansas Department of Transportation (KDOT) maintains approximately 980 buildings, comprising approximately 3.0 million square feet. Structures include 208 buildings housing KDOT and Kansas Highway Patrol personnel, offices, shops, and labs, and 772 support structures functioning as chemical, equipment, and materials storage facilities, as well as wash buildings. In addition, there are 36 Safety Rest Areas buildings 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.

FIGURE 22

CAPITAL IMPROVEMENTS, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Projects:					
Rehabilitation and Repair	$ 2,776,606	$ 4,952,741	$ 4,952,741	$ 5,000,000	$ 5,000,000
Reroof Buildings	640,174	528,385	528,385	719,916	719,916
Subarea Modernization	10,453,906	8,688,659	8,688,569	9,214,237	9,214,237
Purchase Land	59,955	456,756	456,756	45,000	45,000
District Two Annex	10,607	-	-	-	-
District Five Shop Expansion	1,449,278	-	-	-	-
Chemical Storage Facilities	1,091	256,876	256,876	268,993	268,993
District Five Area Five Shop Modernization	146,900	-	-	-	-
Relocate Area / Construction Office - Concordia	3,986,245	-	-	-	-
Construct District One Headquarters - Topeka	-	16,693,228	16,693,228	7,507,918	7,507,918
Area Shop Bay Extension and Electrical Update	-	1,660,980	1,660,980	1,739,328	1,739,328
TOTAL	**$ 19,524,762**	**$ 33,237,625**	**$ 33,237,535**	**$ 24,495,392**	**$ 24,495,392**
Financing:					
SGF	$ -	$ -	$ -	$ -	$ -
Federal Funds	-	-	-	-	-
All Other Funds	19,524,762	33,237,535	33,237,535	24,495,392	24,495,392
TOTAL	**$ 19,524,762**	**$ 33,237,535**	**$ 33,237,535**	**$ 24,495,392**	**$ 24,495,392**

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FY 2023 CAPITAL IMPROVEMENTS

The **agency** submits a revised estimate of $33.2 million, all from the State Highway Fund, in capital improvements for buildings in FY 2023. This is an increase of $10.2 million above the FY 2023 approved amount. The increase is primarily attributable to the agency's supplemental request of $8.8 million for rising capital improvement costs related to inflationary effects for the following projects:

- $5.5 million for the District One Headquarters construction;
- $2.7 million for Subarea Modernization; and
- $600,000 for rehabilitation and repair costs.

REHABILITATION AND REPAIR. The agency requests $5.0 million for rehabilitation and repair in FY 2023. Individual locations and repair specifics vary from year to year depending on wear and natural events. Any improvement project or space alteration is

based on a building/site condition analysis and an assessment of the impact on operating functions. Expenditures target repairs and equipment replacements for improved energy efficiency, emergency repairs, and other unanticipated utility-related occurrences at the building. In addition, this program includes repairs to the non-structural improvements to the land (*e.g.* sidewalks and parking lots.)

REROOFING FOR NINE LOCATIONS. The agency requests $538,385 for reroofing projects at nine locations. The agency states that determination to reroof is based upon the following factors: a) age of roof, b) current roof condition, c) storm damage, d) previous maintenance, e) economic of repair versus replacement, and f) the effects of leaks on building contents.

Reroofing locations in FY 2023 include:

- Anthony Dome, Ashland Dome, Belleville Motor Carrier (MC) Station, Manhattan Dome, Norton Cone, Pratt Cone, Troy Cone, and Waverly Dome.

SUBAREA MODERNIZATIONS FOR FOUR LOCATIONS. The agency requests $8.7 million for subarea modernizations for four locations. The agency states that subarea facilities were constructed in the late 1950s and early 1960s, and these facilities are insufficient to accommodate modern equipment and technologies.

Subarea modernization locations in FY 2023 include:

- Beloit, Blaine, Iola, and Sharon Springs.

LAND PURCHASE. The agency requests $456,756 for the purchase of land in FY 2023. The agency states these land purchases support or improve KDOT operations and include requests for: land along the highway to provide an area to mix and store maintenance materials; land adjacent to a current KDOT facility to allow expansion of storage and operations rather than relocate; or land to relocate a KDOT facility for safety and effectiveness.

Land purchase locations in FY 2023 include:

- Garnett, Independence, Salina, and Topeka.

CHEMICAL STORAGE FACILITIES. The agency requests $256,876 for the construction of a 1,000-ton chemical storage facility in Pratt in FY 2023. The agency states these facilities are constructed where existing storage is inadequate.

CONTRUCT DISTRICT ONE HEADQUATERS IN TOPEKA. The agency requests $16.7 million for the initial phase of a two-year project to construct a new District One Headquarters in Topeka in FY 2023. The total project cost is estimated at $24.2 million. Expenditures in FY 2023 are for construction of the District One Maintenance Shop and Supply Stockroom.

The District One Headquarters is responsible the administering the construction, maintenance, and materials supporting state highways among 17 counties in northeast Kansas, which includes the Kansas City and Topeka metropolitan areas. The current complex, located at 121 Southwest 21st Street in Topeka, includes an office and maintenance shop originally constructed in 1934. The agency indicates the current facility is inadequate to store modern vehicles and requires transport of heavy equipment through the congested urban core.

This construction project will relocate and consolidate on a single site the following facilities: District One Headquarters Office, Maintenance Shop, and Supply Stockroom on existing KDOT property at Southwest 21st Street and Rice Road, near the I-70 interchange in east Topeka. Future plans include relocating the District One Materials Lab to this site in the out years.

The proposed Maintenance Shop would be a 32,000-square-foot structure that includes equipment repair bays, welding shops, paint booth, and wash bays. Space would provide equipment supply storage, employee break rooms, rest rooms, and a shop supervisor office.

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AREA SHOP BAY EXTENSION AND ELECTRICAL UPDATE. The agency requests $1.7 million to extend bays and update electrical systems at area shops. Shop bays are currently 40 feet in depth, which is insufficient to house some equipment and creates safety concerns when working on large equipment. This project extends bays by 30 feet and adds an overhead exit door affording drive-through access. A 3-ton, 100-foot-long overheard rail crane will be installed to provide lift capabilities.

The project will also consolidate electrical systems from different portions of the shop building and update main service panels to 800 amp 3-phase 208-volt service. This would replace the existing 400-amp services panels that do not meet current code requirements.

Updates in FY 2023 are scheduled for the Wichita Hillside shop.

The **Governor** concurs with the agency estimate for capital improvements in FY 2023.

FY 2024 CAPITAL IMPROVEMENTS

The **agency** requests $24.5 million, all from the State Highway Fund, in capital improvements for buildings for FY 2024. This is a decrease of $8.7 million below the FY 2023 revised estimate. The decrease is primarily attributed to expenditures for the initial phase of constructing the District One Headquarters Topeka that do not reoccur for FY 2024.

REHABILITATION AND REPAIR. The agency requests $5.0 million for rehabilitation and repair for FY 2024. Individual locations and repair specifics vary from year to year depending on wear and natural events. Any improvement project or space alteration is based on a building/site condition analysis and an assessment of the impact on operating functions. Expenditures target repairs and equipment replacements for improved energy efficiency, emergency repairs, and other unanticipated utility-related occurrences at the building. In addition, this program includes repairs to the non-structural improvements to the land (*e.g.* sidewalks and parking lots).

REROOFING FOR NINE LOCATIONS. The agency requests $719,916 for reroofing projects at nine locations. The agency states that determination to reroof completely is based upon the following factors: a) age of roof, b) current roof condition, c) storm damage, d) previous maintenance, e) economics of repair versus replacement, and f) the effects of leaks on building contents.

Reroofing locations for FY 2024 include:

- Abilene Salt Storage, Coldwater Cone, Fort Scott Cone, Gage Metro Cone, Goodland Dome, Medicine Lodge Cone, Montgomery County Safety Rest Area, Seneca Cone, and Tribune Cone.

SUBAREA MODERNIZATIONS FOR FOUR LOCATIONS. The agency requests $9.2 million for subarea modernizations for four locations. The agency states that subarea facilities were constructed in the late 1950s and early 1960s, and these facilities are insufficient to accommodate modern equipment and technologies.

Subarea modernization locations for FY 2024 include:

- Altoona, Atchison, Osage City, and Yates Center.

LAND PURCHASE. The agency requests $45,000 for the purchase of land for FY 2024. The agency states these land purchases support or improve KDOT operations and include requests for: land along the highway to provide an area to mix and store maintenance materials; land adjacent to a current KDOT facility to allow expansion of storage and operations rather than relocate; or land to relocate a KDOT facility for safety and effectiveness.

Land purchase locations in FY 2024 include:

- Erie and Lyons.

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CHEMICAL STORAGE FACILITIES. The agency requests $268,993 for the construction of a 1,000-ton chemical storage facility in Kinsley for FY 2023. The agency states these facilities are constructed where existing storage is inadequate.

CONTRUCT DISTRICT ONE HEADQUATERS IN TOPEKA. The agency requests $7.5 million for the final phase of a two-year project to construct a new District One Headquarters in Topeka for FY 2024. The total project cost is estimated at $24.2 million. Expenditures for FY 2024 are for construction of the District One Administration building.

This construction project will relocate and consolidate on a single site the following facilities: District One Headquarters Office, Maintenance Shop, and Supply Stockroom on existing KDOT property at Southwest 21st Street and Rice Road, near the I-70 interchange in east Topeka. Future plans include relocating the District One Materials Lab to this site in the out years.

The proposed Administration office and conference building would be a standalone 14,000-square-foot structure with district staff office space, a conference room, employee break room, rest rooms, and storage.

AREA SHOP BAY EXTENSION AND ELECTRICAL UPDATE. The agency requests $1.7 million to extend bays and update electrical systems at area shops. Shop bays are currently 40 feet in depth, which is insufficient to house some equipment and creates safety concerns when working on large equipment. This project extends bays by 30 feet and adds an overhead exit door affording drive-through access. A 3-ton, 100-foot-long overheard rail crane will be installed to provide lift capabilities.

The project will also consolidate electrical systems from different portions of the shop building and update main service panels to 800 amp 3-phase 208-volt service. This would replace the existing 400-amp services panels that do not meet current code requirements.

Updates for FY 2024 are scheduled for the Syracuse shop.

The **Governor** concurs with the agency request for capital improvements for FY 2024.

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