

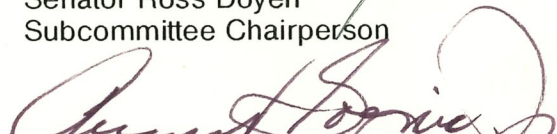
SENATE SUBCOMMITTEE REPORTS ON SENATE BILL NO. 571 --
SUPPLEMENTAL APPROPRIATIONS BILL
AND
SENATE BILL NO. 543 -- FY 1989 APPROPRIATIONS BILL

Sections Pertaining to:

Section 2 -- Kansas Department of Transportation
Section 3 -- Kansas Highway Patrol



Senator Ross Doyen
Subcommittee Chairperson



Senator August "Gus" Bogina



Senator Robert Talkington



Senator Frank Gaines

SUBCOMMITTEE REPORT

Agency: Kansas Department of
Transportation

Bill No. 543

Bill Sec. 2

Analyst: Hunn

Analysis Pg. No. 73

Budget Pg. No. 73

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$138,525,215	\$133,511,249	\$ -
Aid to Local Units	82,526,046	81,817,046	--
Other Assistance	<u>325,000</u>	<u>325,000</u>	--
Operating Exp.	\$221,376,261	\$215,653,295	\$ --
Capital Improvements	<u>275,794,136</u>	<u>254,719,281</u>	--
TOTAL	<u>\$497,170,397</u>	<u>\$470,372,576</u>	<u>\$ --</u>
State General Fund	\$ 0	\$ 0	\$ --
FTE Positions	3,140.0	3,140.0	--

Agency Request/Governor's Recommendation

KDOT's operating budget request for FY 1989 totals \$221,376,261, and is based on a new highway construction program to be financed with a 5 cent fuels tax, an increase of 50 percent for truck registration fees and 75 percent for passenger vehicle registration fees, and debt financing of \$1.1 billion. The proposed plan calls for new construction totaling \$1.1 billion. Under the plan, KDOT state operations, maintenance, and major modifications would be funded through FY 1997, after which KDOT would presumably need additional revenue to continue the core program. The FY 1989 operating budget request includes 131 new positions totaling \$3,477,901 and additional other operating costs of \$2,908,957, for a total of \$6,386,858 in costs related to a new highway program. Without some new source of funding, KDOT projects that there will be a shortfall in FY 1990 in the State Highway Fund if current operations are to be continued.

The Governor's budget recommendations for FY 1989 do not include a new highway program. The Governor's recommendations basically continue the existing level of state operations, with no increase in positions. The Governor's recommendation includes approximately \$3.2 million to fund a 4 percent increase for classified employees and a merit pool for unclassified employees. The Governor's recommendations also shift \$1 million from one federal mass transit account to another. The Governor's recommendations for capital improvements include \$1.5 million for shoulder projects in 5 KDOT districts and a bridge project in one district to be financed from oil overcharge funds. Also included is \$1.2 million from the State Highway Fund for park roads.

Included in the agency request and Governor's recommendation for FY 1988 is \$300,000 for a contracted management study of KDOT operations.

Senate Subcommittee Recommendations

FY 1988. The Subcommittee concurs with the Governor's recommendations for FY 1988.

FY 1989. The Subcommittee makes the following recommendations for FY 1989:

1. The Subcommittee reviewed the status of the State Highway Fund and found that in the absence of new revenues, and if maintenance programs are to be continued at the current level, KDOT will face a shortfall in funding in FY 1990. The Subcommittee learned that KDOT plans to reduce the substantial maintenance program by \$5 million in FY 1989 in an attempt to delay the shortfall. If the shortfall were to be delayed beyond FY 1990, significant reductions would have to be made in the maintenance program in FY 1990 also. Reduced levels of basic maintenance leads to more expensive major repair projects in the future. The majority of the highway plans studied during the 1987 special session acknowledged the need for additional maintenance beyond the current level, and the Subcommittee believes that a reduction to the current level of maintenance is unacceptable.

The Subcommittee notes that an increase of one cent in the fuels tax would allow KDOT to maintain the current level of maintenance, match federal aid, fund state operations, and delay the shortfall to FY 1992. The Subcommittee believes that maintenance programs are essential to the state's highway system and should not suffer during the course of debate on new highway construction.

The Subcommittee therefore recommends that a proviso be inserted in the KDOT appropriations bill to specify that KDOT shall spend not less than the current level of funding (adjusted for inflation) on maintenance projects in FY 1989.

2. The Subcommittee recommends that the \$1.5 million from Oil Overcharge funds be spent on projects designated by the Secretary of Transportation.
3. The Subcommittee reviewed the Governor's recommendation to shift \$1 million from Section 9 mass transit funding, which provides grants to urban areas, to Section 18 mass transit funding, which provides grants to areas with under 50,000 population. This shift would provide an increase of 47.6 percent in the Section 18 grants. The Subcommittee notes that the structure of the KDOT appropriations bill would not mandate this transfer, and believes that KDOT should have the flexibility to reevaluate the transfer as additional information becomes available on the demand for each type of funding.

4. The Subcommittee reviewed the Governor's recommendation to spend \$1.2 million from the State Highway Fund on park roads. The Subcommittee recommends that KDOT be required to report to the 1989 Legislature on the park projects that are to be financed from the State Highway Fund.

543-276/rh

STATE HIGHWAY FUND-PROJECTIONS-EXISTING REVENUE SOURCES

(\$ IN 000)	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	TOTAL
REVENUES											
MOTOR FUEL	\$78,500	\$77,300	\$77,200	\$78,000	\$77,600	\$77,300	\$77,000	\$76,400	\$76,700	\$77,000	\$773,000
VEHICLE REG.	\$70,000	\$70,500	\$70,500	\$70,500	\$71,000	\$71,000	\$71,000	\$71,500	\$71,500	\$71,500	\$709,000
SGF TRANSFER	\$20,500	\$32,200	\$43,300	\$47,500	\$48,900	\$50,400	\$51,900	\$53,500	\$55,100	\$56,700	\$460,000
MISCELLANEOUS	\$7,563	\$6,947	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700	\$60,110
TRANSFERS	\$14,096	\$14,767	\$13,098	\$12,240	\$12,264	\$5,029	\$3,209	\$3,209	\$3,209	\$3,209	\$84,330
FEDERAL AID REIMBURSEMENTS	\$157,005	\$120,035	\$120,057	\$98,957	\$101,004	\$98,821	\$98,821	\$98,821	\$98,821	\$98,821	\$1,091,163
SUBTOTAL-REVENUES	\$347,664	\$321,749	\$329,855	\$312,897	\$316,468	\$300,250	\$307,630	\$309,130	\$311,030	\$312,930	\$3,177,603
EXPENDITURES											
STATE OPERATIONS & MISC.	\$163,616	\$173,606	\$176,092	\$181,843	\$185,749	\$192,768	\$198,633	\$205,868	\$213,385	\$221,357	\$1,912,918
SUBSTANTIAL MAINTENANCE	\$34,386	\$40,624	\$47,512	\$49,983	\$52,582	\$55,316	\$58,193	\$61,219	\$64,402	\$67,751	\$531,970
MAJOR MODIFICATIONS	\$171,354	\$125,192	\$125,695	\$104,959	\$107,494	\$104,930	\$104,930	\$104,930	\$104,930	\$104,930	\$1,159,344
SUBTOTAL-STATE OPS., SUBST. MAINT., AND MAJOR MODIFICATIONS	\$369,356	\$339,422	\$349,299	\$336,785	\$345,825	\$353,014	\$361,757	\$372,017	\$382,718	\$394,038	\$3,604,232
REVENUES MINUS EXPENDITURES	(\$21,692)	(\$17,673)	(\$19,444)	(\$23,888)	(\$29,357)	(\$44,764)	(\$54,127)	(\$62,887)	(\$71,688)	(\$81,108)	(\$426,629)
BEGINNING BALANCE	\$60,499	\$38,807	\$21,134	\$1,690	(\$22,198)	(\$51,555)	(\$96,319)	(\$150,446)	(\$213,333)	(\$285,021)	
CUMULATIVE BALANCE	\$38,807	\$21,134	\$1,690	(\$22,198)	(\$51,555)	(\$96,319)	(\$150,446)	(\$213,333)	(\$285,021)	(\$366,129)	

STATE HIGHWAY FUND-PROJECTIONS-ADD ONE CENT FUELS TAX

(\$ IN 000)	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	TOTAL
REVENUES											
MOTOR FUEL	\$78,500	\$77,300	\$77,200	\$78,000	\$77,600	\$77,300	\$77,000	\$76,400	\$76,700	\$77,000	\$773,000
VEHICLE REG.	\$70,000	\$70,500	\$70,500	\$70,500	\$71,000	\$71,000	\$71,000	\$71,500	\$71,500	\$71,500	\$709,000
SGF TRANSFER	\$20,500	\$32,200	\$43,300	\$47,500	\$48,900	\$50,400	\$51,900	\$53,500	\$55,100	\$56,700	\$460,000
MISCELLANEOUS	\$7,563	\$6,947	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700	\$60,110
TRANSFERS	\$14,096	\$14,767	\$13,098	\$12,240	\$12,264	\$5,029	\$3,209	\$3,209	\$3,209	\$3,209	\$64,330
FEDERAL AID REIMBURSEMENTS	\$157,005	\$120,035	\$120,057	\$98,957	\$101,004	\$98,821	\$98,821	\$98,821	\$98,821	\$98,821	\$1,091,163
ADD ONE CENT FUEL TAX 7/1/88	\$0	\$14,171	\$14,184	\$14,097	\$14,024	\$13,957	\$13,884	\$13,752	\$13,804	\$13,852	\$125,725
SUBTOTAL-REVENUES	\$347,664	\$335,920	\$344,039	\$326,994	\$330,492	\$322,207	\$321,514	\$322,862	\$324,834	\$326,782	\$3,303,320
EXPENDITURES											
STATE OPERATIONS & MISC.	\$163,616	\$173,606	\$176,092	\$181,843	\$185,749	\$192,768	\$198,633	\$205,868	\$213,385	\$221,357	\$1,912,918
SUBSTANTIAL MAINTENANCE	\$34,386	\$40,624	\$47,512	\$49,983	\$52,582	\$55,316	\$58,193	\$61,219	\$64,402	\$67,751	\$531,970
MAJOR MODIFICATIONS	\$171,354	\$125,192	\$125,695	\$104,959	\$107,494	\$104,930	\$104,930	\$104,930	\$104,930	\$104,930	\$1,159,344
SUBTOTAL-STATE OPS., SUBST. MAINT., AND MAJOR MODIFICATIONS	\$369,356	\$339,422	\$349,299	\$336,785	\$345,825	\$353,014	\$361,757	\$372,017	\$382,718	\$394,038	\$3,604,232
REVENUES MINUS EXPENDITURES	(\$21,692)	(\$3,502)	(\$5,260)	(\$9,791)	(\$15,333)	(\$30,808)	(\$40,243)	(\$49,135)	(\$57,884)	(\$67,256)	(\$300,904)
BEGINNING BALANCE	\$60,499	\$38,807	\$35,305	\$30,045	\$20,254	\$4,921	(\$25,887)	(\$66,130)	(\$115,265)	(\$173,149)	
CUMULATIVE BALANCE	\$38,807	\$35,305	\$30,045	\$20,254	\$4,921	(\$25,887)	(\$66,130)	(\$115,265)	(\$173,149)	(\$240,405)	

SUBCOMMITTEE REPORT

Agency: Highway Patrol

Bill No. 543

Bill Sec. 3

Analyst: Rothe

Analysis Pg. No. 87

Budget Pg. No. 4-37

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 25,059,165	\$ 28,437,296	\$ (513,976)
Aid to Local Units	<u>274,000</u>	<u>154,000</u>	<u>(154,000)</u>
Subtotal -- Operating	\$ 25,333,165	\$ 28,591,296	\$ (667,976)
Capital Improvements	<u>77,240</u>	<u>205,453</u>	<u>--</u>
TOTAL	<u>\$ 25,410,405</u>	<u>\$ 28,796,749</u>	<u>\$ (667,976)</u>
State General Fund:			
State Operations	\$ 21,489,695	\$ 20,332,683	\$ (262,560)
Aid to Local Units	<u>274,000</u>	<u>154,000</u>	<u>(154,000)</u>
Subtotal -- Operating	\$ 21,763,695	\$ 20,486,683	\$ (416,560)
Capital Improvements	<u>77,240</u>	<u>13,584</u>	<u>--</u>
TOTAL	<u>\$ 21,840,935</u>	<u>\$ 20,500,267</u>	<u>\$ (416,560)</u>
FTE Positions:			
Uniformed Troopers	456.0	450.0	(2.0)
Capital Area Security	67.5	64.5	--
Motor Carrier Inspection	--	174.0	--
All Others	<u>133.5</u>	<u>122.0</u>	<u>(8.0)</u>
TOTAL	<u>657.0</u>	<u>810.5</u>	<u>(10.0)</u>

Agency Estimate/Governor's Recommendation

The agency requests FY 1989 operating expenditures of \$25,333,165, an increase of \$3,197,222 (14.4 percent) above the revised FY 1988 estimate of \$22,135,943. Of the increase, \$1,529,794 (47.8 percent) is attributable to salaries and wages, \$1,223,684 (38.3 percent) to capital outlay, \$129,780 (4.1 percent) to vehicle fuel and supplies, and \$313,964 (9.8 percent) to other operating expenditures. The request includes \$21,763,695 from the State General Fund (an increase of \$3,380,943), and \$3,569,470 from special revenue funds (a decrease of \$183,721).

The Governor recommends \$28,591,296 of operating expenditures for FY 1989, an increase of \$3,258,131 above the agency's request. The recommendation includes \$20,486,683 from the State General Fund (a reduction of \$1,277,012), and \$8,104,613 from special revenue funds (an increase of \$4,535,143). The recommendation includes the transfer of the Motor Carrier Inspection Program from the Department of Revenue to the Highway Patrol (\$4,420,501 from special revenue funds), a 4 percent classified salary adjustment (\$596,053 from the State General Fund and \$238,538 from special revenue funds), and a decrease of \$869,237 from the State General Fund from the Emergency Medical Services program. The adjusted recommendation includes a reduction of \$511,960 from the State General Fund in salaries and wages as a result of a technical adjustment included in a Governor's Budget Amendment.

Senate Subcommittee Recommendation

FY 1989. The Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Delete \$529,198 from the State General Fund, \$14,000 from federal funds, and 8.0 FTE positions from the Emergency Medical Services (EMS) program. The recommendation to delete all EMS financing from the Kansas Highway Patrol is made pending final action on Substitute for H.B. 2639 which would establish the Emergency Medical Services Board as a free-standing agency.
2. Delete \$96,985 from the State General Fund and 2.0 FTE Troopers from the KHP-Operations program. The Subcommittee deletes two of the 20 new Troopers recommended by the Governor. Reductions include \$54,263 from salaries and wages and \$42,722 from other operating expenditures.
3. Delete \$228,446 from the Motor Carrier Inspection Fund (Highway Fund) from salaries and wages in the Motor Carrier Inspection program. The Subcommittee recommends an increase in the salary turnover rate from zero to 6 percent as had been requested by the Department of Revenue. (The Governor's FY 1989 recommendation includes the transfer of Motor Carrier Inspection field operations from the Kansas Department of Revenue to the Kansas Highway Patrol.)
4. Add \$124,936 to salaries and wages to increase the number of paid holidays for road patrol personnel from four days to six. The recommendation includes \$116,408 from the State General Fund for the KHP-Operations program and \$8,528 from the Turnpike Fund.
5. Add \$49,838 to salaries and wages to increase the annual cleaning allowance for each sworn uniformed position from \$250 per year to \$350. The recommendation includes \$43,736 from the State General Fund for the KHP-Operations program, \$2,034 from the Motor Carrier Safety Assistance Program (MCSAP) Fund, and \$4,068 from the Turnpike Fund.
6. Add \$8,400 from the MCSAP Fund for computer equipment which would enhance the agency's data entry connection with the Safety Net Data Base in Washington, D.C.
7. Add \$17,479 in salaries and wages to the KHP-Operations program as a technical adjustment to the Patrol's appropriation bill (S.B. 543). The Subcommittee anticipates a Governor's Budget Amendment on this item.
8. The Subcommittee directs the Patrol to look into the possibility of shifting a greater proportion of Vehicle Identification Number (VIN) inspections from private designees to local law enforcement agencies. In FY 1987, 18 private designees performed 96,235 VIN

inspections, the Patrol performed 14,782 inspections, and local law enforcement agencies performed 32,495 inspections.

9. The Subcommittee requests the House Subcommittee review the issue of closing MCIB ports of entry. During the 1987 Session, the Department of Revenue recommended the closing of 17 stations, the termination of 51.0 FTE positions, and a reduction of \$972,000 (from highway funds) in related expenditures. The question was not raised until it was too late for the Senate Subcommittee to adequately address the issue.
10. The Subcommittee does not concur with the recommendation of the Joint Committee on State Building Construction to add \$63,656 from the State General Fund for the construction of two fuel storage tanks. The Governor did not recommend the projects.

543-280/sr