

Approved: 3-5-97
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Phil Kline at 1:37 p.m. on February 19, 1997 in Room 514-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Russell Mills, Julian Efird, Legislative Research Department;
Jim Wilson, Mike Corrigan, Revisor of Statutes Office;
Marcia Ayres, Appropriations Secretary; Helen Abramson, Administrative Aide

Conferees appearing before the committee:

Others attending: See attached list

A motion was made by Representative Helgerson, seconded by Representative Dean to approve the minutes of February 14. The motion carried.

Representative Mollenkamp reviewed the subcommittee report for the Department of Transportation. The subcommittee concurred with the Governor's recommendation for FY 97 with one exception, and they concurred with the recommendations for FY 98 except for three items. (Attachment 1)

A motion was made by Representative Mollenkamp, seconded by Representative Packer, to adopt the subcommittee report for the Department of Transportation. A substitute motion was made by Representative Dean, seconded by Representative Farmer, to amend the subcommittee report for FY 98 regarding the expenditure of \$3.0 million for a multiyear proposed \$9.0 million computer project by requiring that the initial funding for this project be appropriated as a separate line item in the KDOT section of the bill, with a provision that the Joint Committee on Computers and Telecommunications must review the results of the analysis phase of this project and make recommendations to the State Finance Council prior to the funding for the subsequent stages of development work being released by the SFC. Discussion followed. The substitute motion carried.

A motion was made by Representative Dean to further amend the subcommittee report and to make corresponding amendments to the other sections in HB 2160 relating to the Kansas Savings Incentive Program by including a provision requiring participating state agencies to submit their revised FY 98 budget requests for technology equipment funded by this program to the JCCT, Chief Information Architect, and Kansas Information Resources Council, as well as the Director of the Budget, on or before September 15, 1997, and that no expenditures could be incurred before certification by the Budget Director is made to the Director of Accounts and Reports that state agencies are in compliance with supplying this information to the different offices. There being no second, the motion failed.

Discussion continued on the subcommittee report as amended. Representative Kejr requested a report from KDOT before the Omnibus Bill regarding the number of highway speed signs especially in rural areas of the state.

A motion was made by Representative Packer, seconded by Representative Spangler, to adopt the subcommittee report for the Department of Transportation as amended. The motion carried.

A motion was made by Representative McKechnie, seconded by Representative Spangler, to introduce a bill relating to affiliation of community colleges and technical colleges under the supervision of the Board of Regents. The motion carried.

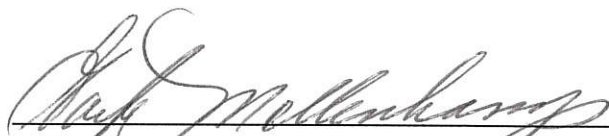
A motion was made by Representative McKechnie, seconded by Representative Spangler, to introduce a bill establishing Washburn University as a member of the Regents system. The motion carried.

The meeting adjourned at 2:50 p.m. The next meeting is scheduled for February 20, 1997.

FY 1997-FY 1998

HOUSE SUBCOMMITTEE REPORTS

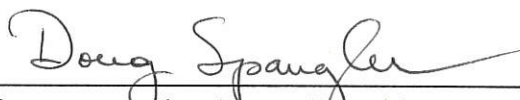
DEPARTMENT OF TRANSPORTATION



Representative Gayle Mollenkamp
Subcommittee Chair



Representative Greg Packer



Representative Doug Spangler

Appropriations
2-19-97
Attachment 1

SUBCOMMITTEE REPORT

Agency: Kansas Department of Transportation

Bill No. 228

Bill Sec. --

Analyst: Efird

Analysis Pg. No. 3

Budget Page No. 453

<u>Expenditure Summary</u>	<u>Agency Est. FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
Agency Operations	\$ 186,735,722	\$ 186,467,830	\$ 0
Debt Service	61,464,749	61,464,749	0
Other Operations	901,859,876	832,067,876	0
TOTAL	<u>\$ 1,150,060,347</u>	<u>\$ 1,080,000,455</u>	<u>\$ 0</u>
State General Fund	\$ 94,915,339	\$ 94,915,339	\$ 0
All Other Funds	1,055,145,008	985,085,116	0
TOTAL	<u>\$ 1,150,060,347</u>	<u>\$ 1,080,000,455</u>	<u>\$ 0</u>
FTE Positions	3,238.5	3,227.5	0.0

Agency Estimate/Governor's Recommendation

The agency's revised FY 1997 estimate is an increase of almost \$60.2 million more than approved by the 1996 Legislature. Kansas Quality Management (KQM) funding of \$682,294 is included. Increases are requested for the construction, local support, maintenance, and management programs. No adjustment in the agency operations expenditure limitation is required in FY 1997 since the additional KQM financing may be spent in addition to any limited amount. Other spending increases are requested for programs under no limit expenditure authority, primarily construction-related expenses.

The Governor's recommendations provide for a reduction of almost \$10.0 million from the total expenditures from the amounts authorized by the 1996 Legislature. A reduction of 11.0 FTE positions and funding of \$267,892 for salary turnover savings are recommended by the Governor in order to reflect positions which will not be refilled due to retirements. The Governor concurs with increases in expenditures for the local support, maintenance, and management programs. However, the Governor recommends a net reduction in the construction program from the previously approved level because of a projected \$69.7 million savings in construction contracts for the Comprehensive Highway Program.

CHANGE FROM APPROVED BUDGET		
	Agency Estimate	Governor's Recommendations
State General Fund	\$ 0	\$ 0
All Other Funds	<u>60,152,512</u>	<u>(9,907,380)</u>
TOTAL	<u>\$ 60,152,512</u>	<u>\$ (9,907,380)</u>
FTE Positions	0.0	(11.0)

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations in FY 1997, except for the following:

1. Request a Governor's Budget Amendment and legislative consideration during the Omnibus period regarding the Governor's announced 3.0 percent reductions in staffing and financing that agencies must achieve by July 1, 1997. In KDOT, the Governor has reduced 11.0 FTE positions and funding of \$267,892 for salary turnover savings based on retirements for which positions were not restored in FY 1997. The agency has identified an additional 86.0 FTE positions and financing of approximately \$1,000,000 in potential FY 1997 savings associated with the 3.0 percent reduction. In order to identify more accurately an amount of savings in the current fiscal year, the Subcommittee recommends revisiting this topic at the end of the 1997 legislative session.

Senate Committee Recommendation

The Committee concurs with the Subcommittee report and adds the following information. Unless the Agency Operations expenditure limitation is reduced in FY 1997 to reflect savings associated with an additional 84 positions that the agency is keeping vacant, half of those savings may be used in FY 1998 for the new Kansas Savings Incentive Program. The Governor's recommendations should reflect a reduction in the expenditure limitation once the amount of savings is identified later in the session.

Senate Recommendation

The full Senate has not taken action on this agency's budget.

<u>Expenditure Summary</u>	<u>Agency Req. FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>House Subcommittee Adjustments</u>
Agency Operations	\$ 186,735,722	\$ 186,467,830	\$ 0
Debt Service	61,464,749	61,464,749	0
Other Operations	901,859,876	832,067,876	(12,000,000)
TOTAL	<u>\$ 1,150,060,347</u>	<u>\$ 1,080,000,455</u>	<u>\$(12,000,000)</u>
State General Fund	\$ 94,915,339	\$ 94,915,339	\$ 0
All Other Funds	1,055,145,008	985,085,116	(12,000,000)
TOTAL	<u>\$ 1,150,060,347</u>	<u>\$ 1,080,000,455</u>	<u>\$(12,000,000)</u>
FTE Positions	3,238.5	3,227.5	0.0

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations in FY 1997, except for the following:

1. Reduce funding for design and right of way by \$12.0 million added by the Governor to the funding of \$7.5 million originally requested by KDOT. An amount of \$10.5 million for design and right of way is included in the FY 1998 budget request that has been recommended by the Governor, and the Subcommittee concurs to the \$10.5 million of funding in FY 1998. The Subcommittee recommendation provides a total of \$18.0 million over two years (FY 1997-FY 1998) for design and right of way.

SUBCOMMITTEE REPORT

Agency: Kansas Department of Transportation

Bill No. 178

Bill Sec. 105

Analyst: Efird

Analysis Pg. No. 3

Budget Page No. 453

<u>Expenditure Summary</u>	<u>Agency Req. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
Agency Operations	\$ 202,747,579	\$ 200,076,736	\$ (3,701,254)
Debt Service	58,713,567	58,713,567	0
Other Operations	589,404,804	587,458,088	500,000
TOTAL	<u>\$ 850,865,950</u>	<u>\$ 846,248,391</u>	<u>\$ (3,201,254)</u>
State General Fund	\$ 95,415,339	\$ 97,288,222	\$ 0
All Other Funds	755,450,611	748,960,169	(3,201,254)
TOTAL	<u>\$ 850,865,950</u>	<u>\$ 846,248,391</u>	<u>\$ (3,201,254)</u>
FTE Positions	3,238.5	3,227.5	0.0

Agency Request/Governor's Recommendation

An overall decrease of almost \$300.0 million in KDOT expenditures is budgeted in FY 1998 as a result of reduced expenditures for projects. FY 1997 is the eighth year of the accelerated highway program and all contracts are scheduled to be let by June 30, 1997. No change is requested in expenditures financed from State General Fund (SGF) demand transfers and that amount assumes a cap on the anticipated increase in funds that would be available during FY 1998. A new \$500,000 general aviation capital improvement program is requested in FY 1998 with financing derived from the SGF. KDOT requests that its FTE level be maintained at 3,238.5 positions, with no reductions taken due to retirements or the anticipated 3 percent reductions announced by the Governor to be effective at the start of FY 1998.

The Governor's FY 1998 recommendations take into account reduced spending with the wind down of the Comprehensive Highway Program. The Governor's recommendations allow the State General Fund demand transfers to increase by 2.5 percent, provide for base salary enhancements, and finance the \$3.0 million first-year cost of a new \$9.0 million computer software system. The net increases amount to \$2,372,883 financed by the State General Fund for demand transfers, \$1,067,433 for base salary adjustments, and \$3,000,000 for the first year development of a new Financial and Maintenance Management Systems, with the last two financed from the State Highway Fund. Reductions of 11.0 FTE positions due to retirements in the current fiscal year translate into \$323,278 of FY 1998 savings recommended by the Governor.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations in FY 1998, except for the following items:

1. Reduce all funding associated with salary base enhancements next fiscal year. For Agency Operations, the reductions include \$3,701,254 for a 1.0 percent cost-of-living increase for classified, 3.5 percent unclassified merit pay, classified step movement, and classified longevity pay. Also make a technical adjustment in the amount posted to the bill to reflect the Governor's recommendation of \$200,076,736 for Agency Operations and reduce the expenditure limitation to \$196,375,482 based on the salary adjustment change.
2. Request a Governor's Budget Amendment and legislative consideration during the Omnibus period regarding the Governor's announced 3.0 percent reductions in staffing and financing that agencies must achieve by July 1, 1997. In KDOT, the Governor has reduced 11.0 FTE positions and funding of \$323,278 for salary turnover savings in FY 1998 based on retirements. The agency has identified an additional 86.0 FTE positions and financing of approximately \$2,451,000 in potential FY 1998 savings associated with the 3.0 percent reduction. In order to identify more accurately an amount of savings for next fiscal year, the Subcommittee recommends revisiting this topic at the end of the 1997 legislative session.
3. Note that the Governor recommends changing the title of the Kansas Quality Program to the Kansas Savings Incentive Program in FY 1998, and maintaining the three purposes of the program: salary bonuses; acquisition of technology equipment, and employee training. The Subcommittee points out that in FY 1997, for instance, the Kansas Quality Management (KQM) funding of \$682,294 represents one-half of the FY 1996 savings that the agency may spend this fiscal year under this program. KDOT plans to buy technology equipment with that funding in FY 1997.
4. Add \$500,000 in FY 1998 for the purpose of funding a proposed program enhancement included in Categorical Aid. KDOT requested FY 1998 financing of \$500,000 for state assistance grants to local units for capital improvements at general aviation airports. The maximum grant for any one project would be \$150,000 and includes a 50/50 local matching requirement. The new program is projected at \$750,000 in FY 1999 and \$1,000,000 in FY 2000, according to the agency budget request. The Governor does not recommend the program enhancement in FY 1998. Financing recommended by the Subcommittee would be transferred into the Public Use General Aviation Airport Development Fund from the Economic Development Initiatives Fund.

KSA 75-5061. Public use general aviation airports; development fund; grants; duties of secretary of transportation.

(a) The secretary of transportation is hereby authorized and empowered to: (1) Solicit and receive moneys from any public or private sources; and (2) establish and administer a grant program for public use general aviation airports for the purpose of planning, constructing, reconstructing or rehabilitating the facilities of such public use general aviation airports.

(b) Such grants shall be made upon such terms and conditions as the secretary of transportation deems appropriate, and such grants shall be made from funds credited to the public use general aviation airport development fund.

(c) The public use general aviation airport development fund is hereby established in the state treasury which shall be for the purpose of planning, constructing, reconstructing or rehabilitating the facilities of public use general aviation airports pursuant to subsection (a) of this section. All moneys received pursuant to subsection (a) shall be

remitted to the state treasurer at least monthly and deposited in the state treasury to the credit of the public use general aviation airport development fund. The secretary of transportation shall administer the public use general aviation airport development fund. All expenditures from the public use general aviation airport development fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of transportation or by a person or persons designated by the secretary.

(d) As used in this section "public use general aviation airport" means any airport available for use by the general public for the landing and taking off of aircraft, but shall not include any airport classified as a primary airport by the federal aviation administration.

(e) The secretary of transportation may adopt rules and regulations for the purpose of implementing the provisions of this section.

History: L. 1994, ch. 191, S. 1; July 1.

5. The Subcommittee received information about the bond repayment schedule for bonds authorized in conjunction with the Comprehensive Highway Program. Between March 1992 and October 1994, the agency issued a total of \$890 million in highway revenue bonds for paying a portion of the costs of the accelerated highway program. The bonds were issued in six series, with principal amounts of \$250 million – Series 1992, \$125 million – Series 1992A, \$250 million – Series 1993, \$125 million – Series 1994, \$50 million – Series 1994A, and \$90 million – Series 1994B. In May 1993, the agency issued highway refunding bonds totaling \$147.405 million – Series 1993A to advance refund a portion of the Series 1992 bonds. Post Audit in the November 1995 K-GOAL review points out that the additional money raised by the quarter-cent sales tax will provide enough money to make the required payments for the bonds. The following table shows the scheduled bond costs which will be treated as reportable expenditures in the KDOT budgets and the estimated receipts from the one-quarter cent sales tax, assuming growth of 4.0 percent annually.

**Payment Schedule for Bonded Debt as of February, 1997
Contrasted with Quarter Cent Sales Tax Revenues**

Fiscal Year	Principal	Interest	Total	.25 cent Sales Tax
1993	\$ 0	\$ 18,543,589	\$ 18,543,589	\$ 60,817,000
1994	465,000	34,363,172	34,828,172	66,449,000
1995	890,000	44,921,533	45,811,533	70,320,000
1996	9,765,000	47,225,986	56,990,986	71,436,000
1997	14,825,000	47,133,103	61,958,103	75,430,000
1998	11,350,000	47,238,568	58,588,568	78,441,000
1999	27,730,000	46,646,918	74,376,918	81,578,000
2000	40,650,000	44,948,251	85,598,251	84,842,000
2001	42,720,000	42,902,523	85,622,523	88,235,000
2002	44,945,000	40,696,560	85,641,560	91,765,000
2003	47,325,000	38,352,870	85,677,870	95,435,000
2004	49,880,000	35,819,554	85,699,554	99,253,000
2005	52,770,000	32,973,558	85,743,558	103,223,000
2006	55,830,000	29,923,853	85,753,853	107,352,000
2007	59,100,000	26,661,284	85,761,284	111,646,000
2008	62,325,000	23,483,045	85,808,145	116,112,000
2009	65,780,000	20,066,798	85,846,798	120,756,000
2010	69,465,000	16,366,798	85,831,543	125,587,000
2011	73,525,000	12,348,949	85,873,949	130,610,000
2012	77,720,000	8,259,967	85,979,967	135,835,000
2013	57,300,000	3,998,390	61,298,390	141,268,000
2014	23,870,000	1,190,417	25,060,417	146,919,000
2015	13,125,000	211,750	13,336,750	152,795,000
TOTAL	\$ 901,355,000	\$ 664,277,179	\$ 1,565,632,179	\$ 2,158,518,000

- The Subcommittee learned about the post-Comprehensive Highway Program plan for FY 1998 to FY 2001, including the three years beyond the Governor's recommendations in FY 1998. The Subcommittee would like to point out that, according to KDOT's plan, total expenditures in the next four years for capital improvement projects will exceed total expenditures for the CHP's first four years. Spending over the next four years is projected at \$1.3 billion for capital improvement projects. The Governor's FY 1998 recommendations concur with the first year of the agency's four-year spending plan and support spending in three of the four CHP categories. Systems enhancements are not included in the FY 1998 to FY 2001 projects.

**Kansas Comprehensive Highway Program: FY 1997 Plan and
KDOT Interim Highway Project Listing FY 1998 - 2001**

	<u>FY 90-93</u>	<u>FY 94-97</u>	<u>FY 90-97</u>	<u>FY 98-01</u>
	<u>4 Yr CHP</u>	<u>4 Yr CHP</u>	<u>Total CHP</u>	<u>Total Post</u>
Substantial Maintenance	\$ 288,685	\$ 433,135	\$ 721,820	\$ 673,718
Major Modification	658,137	1,086,996	1,745,133	570,870
Priority Bridges	93,286	76,713	169,999	92,832
System Enhancements	96,515	507,920	604,435	0
Total	<u>\$ 1,136,623</u>	<u>\$ 2,104,764</u>	<u>\$ 3,241,387</u>	<u>\$ 1,337,420</u>

7. As a result of KDOT receiving more revenue and maintaining higher cash balances than anticipated when estimates were prepared in 1989 prior to the CHP, the potential negative balance forecasted to occur at the start of FY 1999 will not happen. The enhanced status of the State Highway Fund will allow KDOT to embark on a four-year post-Comprehensive Highway Program by using accrued balances to offset the shortfall in current revenues to sustain enhanced expenditures the next few years.

**KDOT Estimates as of January 30, 1997
(State Highway Fund in Millions)**

FY	1989 Est. Beg. Bal.	Beginning Balance	Total Revenue	Total Expenses	Annual Surplus (DEFICIT)
1990	\$ 42.5	\$ 48.5	\$ 451.6	\$ 375.6	\$ 76.1
1991	138.7	124.6	501.0	457.4	43.6
1992	240.1	168.1	756.1	579.7	176.7
1993	313.3	344.5	977.4	504.0	473.5
1994	281.7	818.0	798.0	659.5	138.5
1995	111.4	956.5	832.9	720.1	113.0
1996	21.4	1069.3	780.0	920.4	(140.6)
1997	44.5	928.7	774.3	1106.2	(331.9)
1998	194.2	596.8	774.5	994.8	(220.3)
1999	(57.5)	376.5	809.0	896.6	(87.7)
2000	(139.7)	288.8	755.3	799.4	(44.1)
2001	-	244.7	759.2	816.9	(57.6)
2002	-	187.1	705.0	748.1	(43.1)
2003	-	144.0	733.4	792.0	(58.6)
2004	-	85.4	759.0	831.3	(72.3)
2005	-	13.1	768.2	850.0	(81.7)
2006	-	(68.7)			

Amounts may not add due to rounding

- Two of the six demand transfers from the State General Fund that are capped by the Governor's recommended 2.5 percent growth in FY 1998 over FY 1997 affect KDOT. The pattern of limiting or reducing the transfers since the early 1990s can be seen in the following table that shows KDOT changes in spending and staffing.

TOTAL OPERATING EXPENDITURES
FY 1989-FY 1998

<u>Fiscal Year</u>	<u>SGF</u>	<u>% Change</u>	<u>All Funds</u>	<u>% Change</u>	<u>FTE</u>
1989	\$ 43,785,580	43.0%	\$ 476,928,268	11.4%	3,140.0
1990	73,686,992	68.3%	596,756,428	25.1%	3,276.0
1991	83,422,638	13.2%	605,658,712	1.5%	3,293.0
1992	87,792,914	5.2%	692,832,315	14.4%	3,293.0
1993	85,131,507	(3.0)%	508,724,896	(26.6)%	3,308.0
1994	88,822,169	4.3%	601,440,313	18.2%	3,305.0
1995	91,486,834	3.0%	749,035,104	24.5%	3,304.0
1996	93,604,872	2.3%	1,052,328,702	40.5%	3,304.5
1997 Gov. Rec.	94,915,339	1.4%	1,080,000,455	2.6%	3,227.5
1998 Gov. Rec.	97,288,222	2.5%	846,248,391	(21.6)%	3,227.5
Ten Year Change Dollars/Percent	\$ 53,502,642	122.2%	\$ 369,320,123	77.4%	87.5

9. The final chart summarizes the cash flow for KDOT in terms of revenues and expenditures affecting the State Highway Fund. It is attached to this report as a supplement.

1-12

KDOT		HB 2014 AS PASSED				CASH FLOW PROJECTION AS OF January 1997												AS OF		
STATE HIGHWAY FUND including		With Revisions				REVISED Revenue per Consensus estimates of 11/96 & "Highway Consensus" of 12/96; Program Mgm't as of Nov 96												29 January 1997		
Highway Bond Proceeds & Highway Bond Debt Service Funds						ASSUMES CONTINUED MATCHING OF FEDERAL AID FY 1998 & SUBSEQUENT YEARS.														
Assumptions:	Growth in Sub Maint. & Construction:	5.20%				Projections will change with changes in the Program & Budget Decisions. Includes Governor's budget as submitted.														
		Construction Program as of June 1996 includes KTA interchange adjusted for anticipated savings in lettings.																		
(\$000)	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	TOTAL	TOTAL	TOTAL	
																	FY 90-2005	FY 90-2001	FY 90-97	
BEGINNING BALANCE	\$ 48,500	\$ 124,561	\$ 168,141	\$ 344,502	\$ 817,954	\$ 956,476	\$ 1,069,276	\$ 928,670	\$ 596,817	\$ 376,533	\$ 288,838	\$ 244,727	\$ 187,083	\$ 143,955	\$ 85,371	\$ 13,086	\$ 48,500	\$ 48,500	\$ 48,500	
REVENUES:																				
Motor Fuel Taxes	113,792	120,467	129,278	157,998	167,158	167,988	174,299	174,500	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	2,613,481	1,909,481	1,205,481	
SGF (Sales Tax) Transfer	63,489	74,371	78,025	75,501	79,079	81,451	83,198	84,363	86,472	101,746	105,816	110,049	114,451	119,029	123,790	128,741	1,509,569	1,023,560	619,477	
Sales & Compensating Tax	46,545	53,986	56,348	60,817	66,449	70,320	71,436	75,430	78,441	81,578	84,842	88,235	91,765	95,435	99,253	103,223	1,224,104	834,429	501,332	
Registration Fees	91,859	101,234	104,081	107,777	104,981	114,188	115,282	115,000	116,000	117,000	118,000	119,000	120,000	121,000	122,000	123,000	1,810,402	1,324,402	854,402	
Drivers Licenses Fees	4,380	4,808	6,291	4,786	4,941	6,093	6,099	6,099	6,099	6,099	6,099	6,099	6,099	6,099	6,099	6,099	92,285	67,891	43,496	
Special Vehicle Permits	277	294	290	361	403	416	444	444	444	444	444	444	444	444	444	444	6,483	4,706	2,929	
Interest on State Highway Fund	7,859	11,519	14,780	17,660	20,781	32,171	58,477	40,472	27,485	17,193	12,801	7,836	5,638	3,660	859	299	279,490	269,034	203,719	
Oil, Gas, Mineral & Sand	602	483	515	643	576	450	502										3,772	3,772	3,772	
Sales of Land & Buildings	838	258	587	227	835	490	382	300	300								4,218	4,218	3,918	
Useable Condemned Equipment	460	425	600	847	1,089	627	1,730	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	16,125	11,526	6,928	
Insurance Reimbursement	433	1,152	352	401	409	786	520	653	653	653	653	653	653	653	653	653	9,928	7,317	4,705	
Publications	118	122	143	155	157	203	213	191	191	197	202	209	215	221	228	235	2,998	2,100	1,301	
Misc. Revenues	953	540	572	1,049	2,789	3,656	1,045	1,672	1,672	470	470	470	470	470	470	470	17,236	15,357	12,276	
Transfers:																				
State Vehicle Registration	393	415	435	448	438	452	493	462	462	462	462	462	462	462	462	462	7,233	5,385	3,537	
Motor Carrier Fund Excess	3,176	3,144	3,414	3,448	3,688	3,806	3,302	3,302	3,302	3,302	3,302	3,302	3,302	3,302	3,302	3,302	50,376	37,168	23,960	
Maintenance Transfer SFF	7,150	8,006	7,098	35,963													58,216	58,216	58,216	
Construction Transfer	1,992	1,389	293														3,674	3,674	3,674	
Other Transfers		1,606	20		25												1,651	1,651	1,651	
Subtotal	344,318	384,218	403,123	468,080	450,476	483,097	517,424	504,038	498,670	506,293	510,240	513,907	520,647	527,923	534,708	544,077	7,711,239	5,583,884	3,554,773	
Federal Construction Reimbursement																				
FY96 and prior	99,400	101,948	91,696	114,473	145,144	114,861	138,675	101,883	29,223	8,015	637						945,956	945,956	908,080	
FY97								47,041	97,150	24,337	2,587	920					172,035	172,035	47,041	
FY98 and subsequent									38,862	180,494	152,252	155,673	95,944	116,806	135,311	134,688	1,010,030	527,281		
Total Federal	99,400	101,948	91,696	114,473	145,144	114,861	138,675	148,924	165,235	212,846	155,476	156,593	95,944	116,806	135,311	134,688	2,128,021	1,645,272	955,121	
Local Construction - Federal					46,700	45,183	71,215	71,832	67,295	59,429	59,429	59,429	59,429	59,429	59,429	59,429	718,230	480,512	234,929	
Local Construction Reimb.		5,871	1,689	5,998	3,996	17,691	26,220	23,572	25,538	17,206	16,954	16,954	16,954	16,954	16,954	16,954	229,506	161,689	85,036	
System Enhancements: Local Share																				
CE / PE: Direct to third parties		12,568	9,926	6,343	5,276	3,649	1,828	578	9	1							40,178	40,178	40,168	
To KDOT		217	136	249	565	1,735	1,986	1,823	721	412	374	119					8,337	8,218	6,711	
Received from KDOT			(136)	(268)	(14)	(2)											(420)	(420)	(420)	
Constr.: Direct to third parties		38,932	26,204	7,245	6,341	6,236	18,496	16,318	62	7							119,841	119,841	119,772	
To KDOT		235	340	554	1,657	8,062	9,988	12,365	6,590	1,762	1,512	599					43,663	43,064	33,201	
Received from KDOT		(21,714)	(11,383)	(2,736)	(1,077)	(34)	(2)										(36,946)	(36,946)	(36,946)	
Total System Enhancements		30,238	25,087	11,387	12,748	19,646	32,296	31,084	7,382	2,182	1,886	718					174,653	173,935	162,486	
TOTAL TO KDOT		452	476	803	2,222	9,797	11,974	14,188	7,311	2,174	1,886	718					52,000	52,000	39,912	
Miscellaneous Federal Aid	7,917	8,525	7,493	12,573	16,176	12,091	12,021	11,753	10,426	10,950	11,313	11,624	11,948	12,286	12,639	13,006	182,740	132,861	88,549	
Subtotal Federal & Local	107,317	116,796	101,354	133,847	214,237	199,622	260,104	270,268	275,804	302,606	245,059	245,318	184,276	205,476	224,333	224,078	3,310,498	2,472,335	1,403,547	
Total before Bonding	451,635	501,014	504,477	601,928	664,713	682,719	777,528	774,306	774,474	808,899	755,299	759,226	704,923	733,399	759,042	768,155	11,021,737	8,056,219	4,958,320	
Bond Sales (net)	98.5%		250,297	370,733	125,173	139,465											885,669	885,669	885,669	
Interest on bond proceeds			1,325	4,782	8,092	10,731	2,259										27,190	27,190	27,190	
Net from Bond Sales:			251,622	375,516	133,265	150,196	2,259										912,859	912,859	912,859	
TOTAL REVENUES	451,635	501,014	756,100	977,443	797,978	832,915	779,788	774,306	774,474	808,899	755,299	759,226	704,923	733,399	759,042	768,155	11,934,596	8,969,077	5,871,179	

NOTATIONS: ENDING BALANCE: The ending balance includes amounts committed to and required for the debt service obligations of the agency. The agency needs approximately \$65 million to meet debt service and provide orderly payments.
 SALES TAX TRANSFER: The cash flow assumes statutory sales tax transfer for FY 1999 and subsequent. The transfer has been capped in recent years by the legislature and if such practice were to continue at a 2.5% limited growth the projected available revenues would be reduced by approximately \$64 million through FY 2002. As a result the agency would be viable at best through FY 2002 and uncertainty of future projections place the potential cash shortfall in the FY 2001/2002 area.

(\$000)	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	FY 90-2005	FY 90-2001	FY 90-97
EXPENDITURES:																			
Maintenance																			
Routine Maintenance:																			
Agency Operations	(77,435)	(81,299)	(82,330)	(86,074)	(84,085)	(85,280)	(87,616)	(93,225)	(100,926)	(104,459)	(103,457)	(107,595)	(111,899)	(116,375)	(121,030)	(125,871)	(1,568,957)	(1,093,781)	(677,344)
City Connecting Links	(1,750)	(2,160)	(2,165)	(2,143)	(2,169)	(2,168)	(2,137)	(2,240)	(2,240)	(2,240)	(2,240)	(2,240)	(2,240)	(2,240)	(2,240)	(2,240)	(34,852)	(25,892)	(16,932)
Total Routine Maintenance	(79,185)	(83,459)	(84,494)	(88,217)	(86,254)	(87,447)	(89,753)	(95,465)	(103,166)	(106,699)	(105,697)	(109,835)	(114,139)	(118,615)	(123,270)	(128,111)	(1,603,809)	(1,119,673)	(694,276)
Contract (Substantial) Maintenance:																			
Program Years FY 1996 and prior	(51,347)	(70,604)	(69,480)	(73,576)	(81,128)	(89,389)	(100,932)	(83,375)	0	0	0	0					(619,830)	(619,830)	(619,830)
FY 1997 Program								(42,238)	(84,475)	0	0						(126,713)	(126,713)	(42,238)
FY 1998 and subsequent									(51,497)	(157,582)	(166,438)	(174,607)	(183,198)	(192,237)	(201,749)	(211,754)	(1,339,062)	(550,124)	
Total Contract Maintenance	(51,347)	(70,604)	(69,480)	(73,576)	(81,128)	(89,389)	(100,932)	(125,612)	(135,973)	(157,582)	(166,438)	(174,607)	(183,198)	(192,237)	(201,749)	(211,754)	(2,085,605)	(1,296,667)	(662,068)
TOTAL MAINTENANCE	(130,532)	(154,063)	(153,975)	(161,793)	(167,383)	(176,836)	(190,685)	(221,078)	(239,139)	(264,280)	(272,135)	(284,442)	(297,337)	(310,852)	(325,019)	(339,866)	(3,689,413)	(2,416,340)	(1,356,343)
Construction																			
Major Modifications & Priority Bridges																			
Program Years FY 1996 and prior	(131,042)	(142,315)	(175,111)	(151,699)	(254,310)	(197,964)	(303,212)	(270,510)	(103,691)	(33,746)	(3,913)						(1,767,512)	(1,767,512)	(1,626,162)
FY 1997 Program							(6,036)	(73,076)	(157,835)	(74,237)	(18,739)	(12,788)					(342,711)	(342,711)	(79,112)
FY 1998 and subsequent								(5,916)	(60,830)	(185,117)	(174,272)	(187,881)	(119,206)	(142,432)	(160,118)	(156,003)	(1,191,775)	(614,016)	(5,916)
Agency CE & PE	(40,073)	(40,213)	(38,131)	(39,078)	(42,790)	(36,087)	(35,896)	(22,410)	(36,363)	(50,464)	(56,136)	(58,969)	(61,356)	(63,810)	(66,363)	(69,017)	(757,157)	(496,611)	(294,679)
Contract CE & PE	(4,908)	(20,279)	(17,701)	(23,244)	(20,333)	(21,490)	(27,487)	(33,202)	(35,550)	(6,500)	(1,500)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(217,194)	(213,194)	(168,644)
Local Federal Aid Projects					(46,700)	(56,479)	(89,018)	(89,790)	(84,119)	(74,287)	(74,287)	(74,287)	(74,287)	(74,287)	(74,287)	(74,287)	(886,113)	(588,966)	(281,986)
Buildings	(3,641)	(3,375)	(1,411)	(2,428)	(2,209)	(4,779)	(2,250)	(7,807)	(5,091)	(8,268)	(8,760)	(7,938)	(4,000)	(4,000)	(4,000)	(4,000)	(73,956)	(57,956)	(27,899)
Total Major Modifications	(179,664)	(206,181)	(232,355)	(216,449)	(366,343)	(316,799)	(463,899)	(502,710)	(483,478)	(432,619)	(337,607)	(342,863)	(259,849)	(285,529)	(305,768)	(304,307)	(5,236,419)	(4,080,967)	(2,484,400)
System Enhancements																			
Construction: Local		(38,932)	(26,204)	(7,245)	(6,341)	(6,236)	(18,496)	(16,318)	(62)	(7)							(119,841)	(119,841)	(119,772)
KDOT		(2,778)	(13,419)	(21,755)	(7,084)	(85,851)	(112,901)	(203,373)	(99,302)	(22,438)	(4,050)	(187)					(573,137)	(573,137)	(447,161)
Total Construction		(41,710)	(39,623)	(29,000)	(13,425)	(92,087)	(131,397)	(219,691)	(99,364)	(22,445)	(4,050)	(187)					(692,978)	(692,978)	(566,933)
KDOT to Locals		(21,714)	(11,383)	(2,736)	(1,077)	(34)	(2)										(36,946)	(36,946)	(36,946)
TOTAL KDOT		(24,492)	(24,802)	(24,491)	(8,161)	(85,885)	(112,903)	(203,373)	(99,302)	(22,438)	(4,050)	(187)					(610,083)	(610,083)	(484,107)
CE/PE: Local		(12,568)	(9,926)	(6,343)	(5,276)	(3,649)	(1,828)	(578)	(9)	(1)							(40,178)	(40,178)	(40,168)
KDOT		(4,115)	(4,957)	(5,489)	(4,205)	(10,894)	(14,247)	(29,049)	(16,592)	(4,345)	(591)	(27)					(94,511)	(94,511)	(72,956)
Total CE / PE		(16,683)	(14,883)	(11,832)	(9,481)	(14,543)	(16,075)	(29,627)	(16,601)	(4,346)	(591)	(27)					(134,689)	(134,689)	(113,124)
KDOT to Locals			(136)	(268)	(14)	(2)											(420)	(420)	(420)
TOTAL KDOT		(4,115)	(5,093)	(5,757)	(4,219)	(10,896)	(14,247)	(29,049)	(16,592)	(4,345)	(591)	(27)					(94,931)	(94,931)	(73,376)
TOTAL System Enhancements		(58,393)	(54,506)	(40,832)	(22,906)	(106,630)	(147,472)	(249,318)	(115,965)	(26,791)	(4,641)	(214)					(827,667)	(827,667)	(680,057)
TOTAL payments by KDOT		(28,607)	(29,895)	(30,248)	(12,380)	(96,781)	(127,150)	(232,422)	(115,894)	(26,783)	(4,641)	(214)					(705,014)	(705,014)	(557,483)
Total Construction	(179,664)	(234,788)	(262,250)	(246,697)	(378,723)	(413,580)	(591,049)	(735,132)	(599,372)	(459,402)	(342,248)	(343,077)	(259,849)	(285,529)	(305,768)	(304,307)	(5,941,433)	(4,785,981)	(3,041,882)
Local Support																			
Agency Operations	(1,993)	(2,594)	(2,815)	(2,756)	(2,962)	(3,042)	(3,012)	(3,291)	(3,379)	(3,497)	(3,619)	(3,764)	(3,915)	(4,071)	(4,234)	(4,403)	(53,346)	(36,723)	(22,465)
Categorical Grants	(5,180)	(5,249)	(4,748)	(6,195)	(9,061)	(7,076)	(5,438)	(7,948)	(7,075)	(6,852)	(7,143)	(7,450)	(7,772)	(8,112)	(8,468)	(8,844)	(112,612)	(79,416)	(50,896)
Total Local Support	(7,173)	(7,844)	(7,563)	(8,951)	(12,023)	(10,118)	(8,449)	(11,239)	(10,454)	(10,349)	(10,763)	(11,214)	(11,687)	(12,183)	(12,702)	(13,247)	(165,959)	(116,140)	(73,360)
Management	(30,621)	(33,532)	(29,451)	(30,272)	(33,090)	(37,594)	(37,963)	(38,693)	(43,017)	(47,411)	(45,853)	(47,559)	(46,333)	(48,179)	(50,098)	(52,094)	(651,760)	(455,056)	(271,216)
Transfers Out	(27,584)	(27,208)	(126,500)	(37,735)	(33,409)	(36,177)	(35,256)	(37,838)	(44,188)	(40,775)	(42,814)	(44,955)	(47,202)	(49,563)	(52,041)	(54,643)	(737,886)	(534,438)	(361,706)
TOTAL before Debt Service	(375,574)	(457,434)	(579,739)	(485,448)	(624,627)	(674,304)	(863,402)	(1,043,979)	(936,170)	(822,217)	(713,813)	(731,247)	(662,409)	(706,305)	(745,627)	(764,156)	(11,186,451)	(8,307,954)	(5,104,508)
New Debt Service				(18,544)	(34,828)	(45,812)	(56,991)	(62,181)	(58,589)	(74,377)	(85,598)	(85,623)	(85,642)	(85,678)	(85,700)	(85,744)	(865,304)	(522,541)	(218,355)
TOTAL EXPENDITURES	(375,574)	(457,434)	(579,739)	(503,991)	(659,455)	(720,116)	(920,393)	(1,106,160)	(994,758)	(896,594)	(799,411)	(816,870)	(748,050)	(791,983)	(831,327)	(849,899)	(12,051,754)	(8,830,495)	(5,322,862)
ANNUAL SURPLUS (DEFICIT)	76,061	43,580	176,361	473,452	138,523	112,799	(140,605)	(331,854)	(220,284)	(87,695)	(44,111)	(57,644)	(43,128)	(58,584)	(72,285)	(81,745)	(117,159)	138,583	548,317
FUND BALANCE:	124,561	168,141	344,502	817,954	956,476	1,069,276	928,670	596,817	376,533	288,838	244,727	187,083	143,955	85,371	13,086	(68,659)	(68,659)	187,083	596,817

NOTE 2: Budget decisions currently being made will also affect the future projections.

Senate Committee Recommendation

The Committee concurs with the Subcommittee report and requests that KDOT provide a one page summary of its performance measures for Committee members.

**SELECTED KANSAS DEPARTMENT OF TRANSPORTATION PERFORMANCE MEASURES
Comprehensive Highway Program (CHP) Goals: H.B. 2014**

	Pre-CHP (1988-1989) <u>Average</u>	CHP (1990-1997) <u>Average</u>	Total CHP	H.B. 2014 Goal
Major Modification Program				
Non Interstate Miles	33	205	1,641	1,600
Priority Bridge				
Number of Bridges	17	24	189	170
Substantial Maintenance				
Number of Miles	1,234	1,257	10,056	8,000
System Enhancement				
Total \$	0	\$108,195,875	\$865,567,000	\$600,000,000
\$2.5 million/county				
Number of Counties	N/A	N/A	105	105
\$390,000/yr on Trns. Imp. for Handi- capped and Elderly (Increased to \$1,000,000/yr in FY95)				
Total \$ Encumbered	0	\$578,000	\$4,950,000	\$4,950,000
Other Non-H.B.2014 Goals:				
Total % SHS rated good or acceptable	62.4	71.1	73.7	
Other Non-H.B. 2014 Measures:				
% Bridges on SHS obsolete or deficient	23.1	24.6	21.0	
% Miles on SHS rated good or acceptable				
-Interstate	51.7	71.0	85.1	
-NonInterstate	63.9	71.1	72.2	
Safety				
Fatalities/100,000,000 (Vehicle Miles Traveled)	2.3	1.8	1.8	
% Fatalities with alcohol involvement	41.0	25.9	23.1	
% Ks Drivers wearing seatbelts	45.2	57.0	54.8	

Senate Recommendation

The full Senate has not taken action on this agency's budget.

Expenditure Summary	Agency Req. FY 98	Gov. Rec. FY 98	House Subcommittee Adjustments
Agency Operations	\$ 202,747,579	\$ 200,076,736	\$ (2,451,000)
Debt Service	58,713,567	58,713,567	0
Other Operations	589,404,804	587,458,088	0
TOTAL	<u>\$ 850,865,950</u>	<u>\$ 846,248,391</u>	<u>\$ (2,451,000)</u>
State General Fund	\$ 95,415,339	\$ 97,288,222	\$ 0
All Other Funds	755,450,611	748,960,169	(2,451,000)
TOTAL	<u>\$ 850,865,950</u>	<u>\$ 846,248,391</u>	<u>\$ (2,451,000)</u>
FTE Positions	3,238.5	3,227.5	(86.0)

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations in FY 1998, except for the following items:

1. Reduce expenditures of \$2,451,000 from the Agency Operations account of the State Highway Fund and delete 86.0 FTE positions to reflect the Governor's 3.0 percent staff reduction at the start of FY 1998. Make a technical correction in the bill to the Agency Operations account recommended by the Governor since the line item is appropriated with an expenditure limitation within the State Highway Fund.
2. Recommend that a bill be introduced to amend current law in order to provide an exemption for KDOT from the provisions of KSA 75-6801 *et seq* that mandates the loss of one position for every four retirements. The Subcommittee believes that the method of reductions recommended by the Governor in FY 1997 (2 percent) and FY 1998 (3 percent) is preferred to the one-for-four law and ought to be used as an alternative to the automatic retirement reductions.
3. Note that KDOT plans a \$9.0 million computer project, with funding of \$3.0 million recommended by the Governor in FY 1998 to begin the three year program development. The Subcommittee was informed that the Kansas Information Resources Council on December 17, 1996, approved the requirements analysis phase of this project and that the Joint Committee on Computers and Telecommunications on January 10, 1997, heard a briefing on the plan to develop an integrated system to manage KDOT financial resources and capital equipment. The JCCT decided to defer any action on this KDOT project pending publication of the *Governor's Budget Report* (with any funding recommendations) and subsequent review by the Senate Ways and Means Committee and the House Appropriations Committee.

Current Status Comparision

	Gov. Rec. FY 1998	Senate Cmt. Rec. FY 1998	House Sub. Rec. FY 1998	House Change from Senate
EXPENDITURES:				
Agency Operations	\$ 200,076,736	\$ 196,375,482	\$ 197,625,736	\$ 1,250,254
Debt Service	58,713,567	58,713,567	58,713,567	0
Other Operations	587,458,088	587,958,088	587,458,088	(500,000)
Total	<u>\$ 846,248,391</u>	<u>\$ 843,047,137</u>	<u>\$ 843,797,391</u>	<u>\$ 750,254</u>
FINANCING:				
State General Fund	\$ 97,288,222	\$ 97,288,222	\$ 97,288,222	0
All Other Funds	748,960,169	745,758,915	746,509,169	750,254
Total	<u>\$ 846,248,391</u>	<u>\$ 843,047,137</u>	<u>\$ 843,797,391</u>	<u>\$ 750,254</u>
FTE POSITIONS				
	3,227.5	3,227.5	3,141.5	(86.0)
Unclass. Temp. Positions	2.0	2.0	2.0	0.0
Total	<u>3,229.5</u>	<u>3,229.5</u>	<u>3,143.5</u>	<u>(86.0)</u>