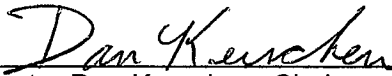


FY 2013, FY 2014, and FY 2015

Senate Ways and Means Subcommittee

Kansas Department of Transportation



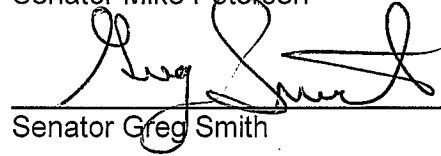
Senator Dan Kerschen, Chair



Senator Mike Petersen



Senator Jeff Melcher, Vice-Chair



Senator Greg Smith

\_\_\_\_\_  
Senator Laura Kelly, Ranking Minority

Senate Ways and Means Committee  
Date: 03-12-2013  
Attachment #: 3

## House Budget Committee Report

**Agency:** Kansas Department of Transportation

**Bill No.** HB 2088

**Bill Sec.** 42

**Analyst:** Robinson

**Analysis Pg. No.** 877

**Budget Page No.** 436

Expenditure Summary	Agency Estimate FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State Highway Fund	\$ 380,233,350	\$ 380,233,350	\$ 0
Other Funds	361,156,727	358,582,625	0
Subtotal	<u>\$ 741,390,077</u>	<u>\$ 738,815,975</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State Highway Fund	\$ 387,427,526	\$ 394,244,402	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 387,427,526</u>	<u>\$ 394,244,402</u>	<u>\$ 0</u>
Total - Reportable Exp.	\$ 1,128,817,603	\$ 1,133,060,377	\$ 0
Nonreportable Expenditures	<u>\$ 540,998,812</u>	<u>\$ 523,687,545</u>	<u>\$ 0</u>
<b>GRAND TOTAL</b>	<u><u>\$ 1,669,816,415</u></u>	<u><u>\$ 1,656,747,922</u></u>	<u><u>\$ 0</u></u>
FTE positions	2,829.5	2,829.5	0.0
Non FTE Uncl. Perm. Pos.	51.0	51.0	0.0
<b>TOTAL</b>	<u><u>2,880.5</u></u>	<u><u>2,880.5</u></u>	<u><u>0.0</u></u>

### Agency Estimate

The **agency** requests a revised FY 2013 reportable budget of \$1.13 billion, all from special revenue funds, a decrease of \$249.1 million, or 18.1 percent, below the revised current year estimate. Decreases of \$258.4 million, or 40.0 percent, in capital improvements, largely reflecting the budgeted shift of highway construction projects from amounts originally approved in FY 2013 to FY 2014, are partially offset by an increase of \$18.1 million, or 119.5 percent, in other assistance, primarily for increased federal grants, and for health insurance payments on behalf of employees who utilized the Voluntary Retirement Incentive Program. The revised request includes 2,829.5 FTE positions, the same number approved by the 2012 Legislature.

### Governor's Recommendation

The **Governor** recommends a revised FY 2013 reportable budget of \$1.13 billion, all from special revenue funds, a decrease of \$244.9 million, or 17.8 percent, below the approved amount. The recommendation is an increase of \$4.2 million, or 0.4 percent, above the agency's

revised estimate. The Governor's recommended adjustments primarily reflect adjustments for debt service payments.

### **House Budget Committee Recommendation**

The **Budget Committee** concurs with the recommendations of the Governor, with the following adjustments:

1. Add language prohibiting the Director of the Office of Financial Management from transferring \$6.8 million from the State Highway Fund to the Division of Vehicles Modernization Fund of the Department of Revenue, and transfer the same amount from the State Highway Fund to the State General Fund in FY 2013. The Governor recommended the transfer to replace the amount that was transferred from the DOV Modernization Fund to the State General Fund by the 2012 Legislature. The Budget Committee does not believe that it should be the responsibility of the State Highway Fund to restore funding in the Department of Revenue's budget.
2. Add language prohibiting the Director of the Office of Financial Management from transferring \$1.0 million of the \$2.8 million scheduled to be transferred from the State Highway Fund to the Access Road Fund of the Department of Wildlife, Parks, and Tourism. The Budget Committee notes approximately \$1.7 million of the transfer is supposed to be used for the maintenance of roads within state parks, while the remainder is used for operations of the agency. The Budget Committee concurs with using funding from the State Highway Fund for state park road maintenance, but not agency operations, and recommends reducing the transfer in FY 2013 to \$1.8 million.

### **House Committee Recommendation**

The **Committee** concurs with the recommendations of the Budget Committee with the following adjustment:

1. Delete item 2 of the Budget Committee recommendations, and do not add language prohibiting the transfer of \$1.0 million from the State Highway Fund to the Access Road Fund of the Department of Wildlife, Parks, and Tourism.

**Senate Subcommittee Report**

**Agency:** Kansas Department of Transportation

**Bill No.** SB 76

**Bill Sec.** 42

**Analyst:** Robinson

**Analysis Pg. No.** 877

**Budget Page No.** 436

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2013</u>	<u>Governor Recommendation FY 2013</u>	<u>Senate Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
State Highway Fund	\$ 380,233,350	\$ 380,233,350	\$ 0
Other Funds	361,156,727	358,582,625	0
Subtotal	<u>\$ 741,390,077</u>	<u>\$ 738,815,975</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State Highway Fund	\$ 387,427,526	\$ 394,244,402	\$ 0
Other Funds	0	0	.0
Subtotal	<u>\$ 387,427,526</u>	<u>\$ 394,244,402</u>	<u>\$ 0</u>
Total - Reportable Exp.	\$ 1,128,817,603	\$ 1,133,060,377	\$ 0
Nonreportable Expenditures	\$ 540,998,812	\$ 523,687,545	\$ 0
<b>GRAND TOTAL</b>	<u><u>\$ 1,669,816,415</u></u>	<u><u>\$ 1,656,747,922</u></u>	<u><u>\$ 0</u></u>
FTE positions	2,829.5	2,829.5	0.0
Non FTE Uncl. Perm. Pos.	51.0	51.0	0.0
<b>TOTAL</b>	<u><u>2,880.5</u></u>	<u><u>2,880.5</u></u>	<u><u>0.0</u></u>

**Agency Estimate**

The **agency** requests a revised FY 2013 reportable budget of \$1.13 billion, all from special revenue funds, a decrease of \$249.1 million, or 18.1 percent, below the revised current year estimate. Decreases of \$258.4 million, or 40.0 percent, in capital improvements, largely reflecting the budgeted shift of highway construction projects from amounts originally approved in FY 2013 to FY 2014, are partially offset by an increase of \$18.1 million, or 119.5 percent, in other assistance, primarily for increased federal grants, and for health insurance payments on behalf of employees who utilized the Voluntary Retirement Incentive Program. The revised request includes 2,829.5 FTE positions, the same number approved by the 2012 Legislature.

**Governor's Recommendation**

The **Governor** recommends a revised FY 2013 reportable budget of \$1.13 billion, all from special revenue funds, a decrease of \$244.9 million, or 17.8 percent, below the approved amount. The recommendation is an increase of \$4.2 million, or 0.4 percent, above the agency's revised estimate. The Governor's recommended adjustments primarily reflect adjustments for debt service payments.

**Senate Subcommittee Recommendation**

The **Subcommittee** concurs with the recommendations of the Governor.

## House Budget Committee Report

**Agency:** Kansas Department of Transportation

**Bill No.** HB 2231

**Bill Sec.** 143

**Analyst:** Robinson

**Analysis Pg. No.** 877

**Budget Page No.** 436

Expenditure Summary	Agency Request FY 2014	Governor Recommendation FY 2014	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State Highway Fund	\$ 392,762,784	\$ 392,599,385	\$ 0
Other Funds	369,722,894	360,543,249	0
Subtotal	<u>\$ 762,485,678</u>	<u>\$ 753,142,634</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State Highway Fund	\$ 928,103,385	\$ 921,306,763	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 928,103,385</u>	<u>\$ 921,306,763</u>	<u>\$ 0</u>
Total-Reportable Exp.	<u>\$ 1,690,589,063</u>	<u>\$ 1,674,449,397</u>	<u>\$ 0</u>
Nonreportable Expenditures	<u>\$ 361,652,546</u>	<u>\$ 353,135,862</u>	<u>\$ 0</u>
GRAND TOTAL	<u><u>\$ 2,052,241,609</u></u>	<u><u>\$ 2,027,585,259</u></u>	<u><u>\$ 0</u></u>
FTE positions	2,790.5	2,790.5	(100.0)
Non FTE Uncl. Perm. Pos.	50.0	50.0	0.0
TOTAL	<u><u>2,840.5</u></u>	<u><u>2,840.5</u></u>	<u><u>(100.0)</u></u>

### Agency Request

The **agency** requests a FY reportable budget of \$1.69 billion, all from special revenue funds, an increase of \$561.8 million, or 49.8 percent, above the revised current year estimate. Most of the increase (\$540.7 million, or 139.6 percent) is in capital improvements and reflects projects shifted from the current year to FY 2014. The request includes 2,790.5 FTE positions, a decrease of 39.0 FTE positions below the revised current year estimate. The decrease reflects position layoffs that took place during FY 2013.

### Governor's Recommendation

The **Governor** recommends FY 2014 reportable expenditures of \$1.67 billion, an increase of \$541.4 million, or 47.8 percent, above the revised current year recommendation. Most of the increase (\$527.1 million) is in capital improvements and reflects an increase in planned lettings for FY 2014. The Governor's recommendation is a net decrease of \$16.1

million, or 1.0 percent, below the agency's request. Decreases of \$9.3 million for debt service payments; \$6.8 million in requested capital improvement projects not recommended; and \$163,399 in salaries and wages to reflect the Governor's recommendation to decrease the Kansas Public Employees Retirement System death and disability employer contribution rate (from 1.0 percent to 0.85 percent) are partially offset by an increase of \$93,038 to reflect increased estimates of State Highway Fund receipts. The Governor concurs with the remainder of the agency's request.

Beginning in FY 2014, the Governor recommends that KDOT assume authority over the daily operations of the Kansas Turnpike Authority (KTA). This would not be a consolidation and the KTA would remain a separate entity. The Governor recommends a \$15.0 million transfer from the State Highway Fund to the State General Fund as a result of operational savings within KDOT that the Governor indicates will occur as it is able to access KTA resources around the state.

### **House Budget Committee Recommendation**

The **Budget Committee** concurs with the recommendations of the Governor, with the following adjustments:

1. Delete 100.0 vacant FTE positions for FY 2014, giving the Secretary the authority to determine which positions to eliminate. The Department indicated that there are currently approximately 200 vacant positions within the Department.
2. Add language prohibiting the Director of the Office of Financial Management from transferring \$3.5 million from the State Highway Fund to the Laboratory Fund of the Kansas Bureau of Investigation for FY 2014. The Budget Committee does not oppose funding for architectural design, engineering, and oversight fees for the laboratory project, but does not believe that the State Highway Fund is the appropriate source for this funding.
3. Add language prohibiting the Director of the Office of Financial Management from transferring \$270,690 from the State Highway Fund to the Office of Emergency Communications Fund of the Adjutant General for FY 2014. While the Budget Committee does not oppose funding for this purpose, it does not believe that the State Highway is the appropriate source for this funding.
4. Add language prohibiting the Director of the Office of Financial Management from transferring \$700,000 of the \$2.6 million scheduled to be transferred from the State Highway Fund to the Access Road Fund of the Department of Wildlife, Parks, and Tourism for FY 2014. The Budget Committee notes approximately \$1.7 million of the transfer is supposed to be used for the maintenance of roads within state parks, while the remainder is used for operations of the agency. The Budget Committee concurs with using funding from the State Highway Fund for state park road maintenance, but not agency operations, and recommends reducing the transfer for FY 2014 to \$1.9 million.
5. Add language prohibiting the Director of the Office of Financial Management from transferring \$5.0 million from the State Highway Fund to the State Affordable Airfare Fund of the Department of Commerce for FY 2014. From FY 2007 through FY 2011, the Affordable Airfare Fund was funded through a transfer from the State Highway Fund. For FY 2012 and FY 2013, the funding came from the Economic Development Initiatives Fund (EDIF). The Budget Committee believes that the EDIF is a more appropriate

source for this funding recommends that consideration be given to transferring money from the EDIF to the Affordable Airfare Fund for FY 2014.

6. Add language prohibiting the Director of the Office of Financial Management from transferring \$200,000 from the State Highway Fund to the Kansas Biodiesel Fuel Producer Incentive Fund of the Department of Revenue for FY 2014. The Budget Committee notes that funding for this fund previously came from the EDIF, and believes that should this continue to be a priority for the Legislature, that consideration should be given to restoring an EDIF transfer for the program.
7. Delete the transfer of \$15.0 million from the State Highway Fund to the State General Fund recommended for FY 2014. The Governor's recommendation indicates that \$15.0 million in savings can be achieved through combining some operations of the Department of Transportation and the Kansas Turnpike Authority. The Budget Committee believes that it is unwise to budget savings from a merger that has not yet occurred. Under the Budget Committee's recommendations, any savings from the merger for FY 2014 would remain in the State Highway Fund.

#### **House Committee Recommendation**

The **Committee** concurs with the recommendations of the Budget Committee, with the following adjustments:

1. Delete item 5 of the Budget Committee report and do not add language prohibiting the transfer of \$5.0 million from the State Highway Fund to the State Affordable Airfare Fund of the Department of Commerce for FY 2014.
  2. Modify item 4 of the Budget Committee recommendations and include language to prohibit the transfer of \$350,000 from the State Highway Fund to the Access Road Fund of the Department of Wildlife, Parks, and Tourism for FY 2014. This would provide for a total FY 2014 transfer to the fund of \$2.2 million.
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**Senate Subcommittee Report**

**Agency:** Kansas Department of Transportation

**Bill No.** SB 110

**Bill Sec.** 143

**Analyst:** Robinson

**Analysis Pg. No.** 877

**Budget Page No.** 436

Expenditure Summary	Agency Request FY 2014	Governor Recommendation FY 2014	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State Highway Fund	\$ 392,762,784	\$ 392,599,385	\$ 0
Other Funds	369,722,894	360,543,249	0
Subtotal	<u>\$ 762,485,678</u>	<u>\$ 753,142,634</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State Highway Fund	\$ 928,103,385	\$ 921,306,763	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 928,103,385</u>	<u>\$ 921,306,763</u>	<u>\$ 0</u>
Total-Reportable Exp.	<u>\$ 1,690,589,063</u>	<u>\$ 1,674,449,397</u>	<u>\$ 0</u>
Nonreportable Expenditures	<u>\$ 361,652,546</u>	<u>\$ 353,135,862</u>	<u>\$ 0</u>
<b>GRAND TOTAL</b>	<u>\$ 2,052,241,609</u>	<u>\$ 2,027,585,259</u>	<u>\$ 0</u>
FTE positions	2,790.5	2,790.5	0.0
Non FTE Uncl. Perm. Pos.	50.0	50.0	0.0
<b>TOTAL</b>	<u>2,840.5</u>	<u>2,840.5</u>	<u>0.0</u>

**Agency Request**

The **agency** requests a FY reportable budget of \$1.69 billion, all from special revenue funds, an increase of \$561.8 million, or 49.8 percent, above the revised current year estimate. Most of the increase (\$540.7 million, or 139.6 percent) is in capital improvements and reflects projects shifted from the current year to FY 2014. The request includes 2,790.5 FTE positions, a decrease of 39.0 FTE positions below the revised current year estimate. The decrease reflects position layoffs that took place during FY 2013.

### **Governor's Recommendation**

The **Governor** recommends FY 2014 reportable expenditures of \$1.67 billion, an increase of \$541.4 million, or 47.8 percent, above the revised current year recommendation. Most of the increase (\$527.1 million) is in capital improvements and reflects an increase in planned lettings for FY 2014. The Governor's recommendation is a net decrease of \$16.1 million, or 1.0 percent, below the agency's request. Decreases of \$9.3 million for debt service payments; \$6.8 million in requested capital improvement projects not recommended; and \$163,399 in salaries and wages to reflect the Governor's recommendation to decrease the Kansas Public Employees Retirement System death and disability employer contribution rate (from 1.0 percent to 0.85 percent) are partially offset by an increase of \$93,038 to reflect increased estimates of State Highway Fund receipts. The Governor concurs with the remainder of the agency's request.

Beginning in FY 2014, the Governor recommends that KDOT assume authority over the daily operations of the Kansas Turnpike Authority (KTA). This would not be a consolidation and the KTA would remain a separate entity. The Governor recommends a \$15.0 million transfer from the State Highway Fund to the State General Fund as a result of operational savings within KDOT that the Governor indicates will occur as it is able to access KTA resources around the state.

### **Senate Subcommittee Recommendation**

The **Subcommittee** concurs with the recommendations of the Governor.

## House Budget Committee Report

**Agency:** Kansas Department of Transportation

**Bill No.** HB 2231

**Bill Sec.** 144

**Analyst:** Robinson

**Analysis Pg. No.** 877

**Budget Page No.** 436

Expenditure Summary	Agency Request FY 2015	Governor Recommendation FY 2015*	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State Highway Fund	\$ --	\$ 371,309,070	\$ 0
Other Funds	--	377,177,723	0
Subtotal	\$ --	\$ 748,486,793	\$ 0
<b>Capital Improvements:</b>			
State Highway Fund	\$ --	\$ 509,148,894	\$ 0
Other Funds	--	0	0
Subtotal	\$ --	\$ 509,148,894	\$ 0
Total - Reportable Exp.	\$ --	\$ 1,257,635,687	\$ 0
Nonreportable Expenditures	\$ --	\$ 353,730,791	\$ 0
<b>GRAND TOTAL</b>	<b>\$ --</b>	<b>\$ 1,611,366,478</b>	<b>\$ 0</b>
FTE positions	--	2,790.5	(100.0)
Non FTE Uncl. Perm. Pos.	--	50.0	0.0
<b>TOTAL</b>	--	2,840.5	(100.0)

\*Reflects Governor's Budget Amendment No. 1, Item 17, which reduces net expenditures from the State Highway Fund by \$58.8 million for FY 2015.

### Agency Request

There were no **agency** budget requests made for FY 2015 by any state agencies other than those agencies designated in statute as biennial budget agencies. The Governor's budget recommendations to the 2013 Legislature do, however, include funding recommendations for each state agency for FY 2015.

### Governor's Recommendation

The **Governor** recommends FY 2015 reportable expenditures of \$1.32 billion for FY 2015, a decrease of \$358.0 million, or 21.4 percent, below the FY 2014 recommendation. Most

of the decrease is in capital improvements (\$352.2 million, or 38.2 percent) and contractual services (\$25.7 million, or 17.3 percent) and reflects fewer planning construction lettings for FY 2015. The decreases are partially offset by increases for debt services payments (\$16.8 million, or 9.4 percent), salaries and wages (\$1.2 million, or 0.8 percent, for increases in the Kansas Public Employees Retirement System rate, workers compensation rates, and classified longevity payments), commodities (\$1.1 million, or 2.7 percent, primarily for road maintenance supplies), and aid to local units of government (\$874,378, or 0.5 percent). The recommendation includes 2,790.5 FTE positions, the same number recommended for FY 2015.

### House Budget Committee Recommendation

The **Budget Committee** concurs with the recommendations of the Governor, with the following adjustments:

1. Delete 100.0 vacant FTE positions for FY 2015, giving the Secretary the authority to determine which positions to eliminate. The Department indicated that there are currently approximately 200 vacant positions within the Department.
2. Add language prohibiting the Director of the Office of Financial Management from transferring \$270,690 from the State Highway Fund to the Office of Emergency Communications Fund of the Adjutant General for FY 2015. While the Budget Committee does not oppose funding for this purpose, it does not believe that the State Highway is the appropriate source for this funding.
3. Add language prohibiting the Director of the Office of Financial Management from transferring \$700,000 of the \$2.6 million scheduled to be transferred from the State Highway Fund to the Access Road Fund of the Department of Wildlife, Parks, and Tourism for FY 2015. The Budget Committee notes approximately \$1.7 million of the transfer is supposed to be used for the maintenance of roads within state parks, while the remainder is used for operations of the agency. The Budget Committee concurs with using funding from the State Highway Fund for state park road maintenance, but not agency operations, and recommends reducing the transfer for FY 2015 to \$1.9 million.
4. Add language prohibiting the Director of the Office of Financial Management from transferring \$5.0 million from the State Highway Fund to the State Affordable Airfare Fund of the Department of Commerce for FY 2015. From FY 2007 through FY 2011, the Affordable Airfare Fund was funded through a transfer from the State Highway Fund. For FY 2012 and FY 2013, the funding came from the Economic Development Initiatives Fund (EDIF). The Budget Committee believes that the EDIF is a more appropriate source for this funding recommends that consideration be given to transferring money from the EDIF to the Affordable Airfare Fund for FY 2015.
5. Add language prohibiting the Director of the Office of Financial Management from transferring \$200,000 from the State Highway Fund to the Kansas Biodiesel Fuel Producer Incentive Fund of the Department of Revenue for FY 2015. The Budget Committee notes that funding for this fund previously came from the EDIF, and believes that should this continue to be a priority for the Legislature, that consideration should be given to restoring an EDIF transfer for the program.
6. Delete the transfer of \$15.0 million from the State Highway Fund to the State General Fund recommended for FY 2015. The Governor's recommendation indicates that \$15.0 million in savings can be achieved through combining some operations of the

Department of Transportation and the Kansas Turnpike Authority. The Budget Committee believes that it is unwise to budget savings from a merger that has not yet occurred. Under the Budget Committee's recommendations, any savings from the merger for FY 2015 would remain in the State Highway Fund.

7. Add language prohibiting the Director of the Office of Financial Management from transferring \$9.8 million from the State Highway Fund to the Department for Aging and Disability Services for FY 2015. The transfer is recommended to provide additional funding for grants to mental health organizations. The Budget Committee is not opposed to additional funding for this purpose, but does not believe that the State Highway Fund is an appropriate source of funding for this purpose.
8. The Budget Committee acknowledges Governor's Budget Amendment No. 1, Item 17, which makes a bonding authority correction for the agency's budget. This amendment has the effect of reducing reportable capital improvements for the agency by \$60.0 million for FY 2015, and adding \$1.2 million in additional debt service expenditures, for a net reportable expenditure reduction of \$58.8 million for FY 2015.

#### **House Committee Recommendation**

The **Committee** concurs with the recommendations of the Budget Committee.

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**Senate Subcommittee Report**

**Agency:** Kansas Department of Transportation

**Bill No.** SB 110

**Bill Sec.** 144

**Analyst:** Robinson

**Analysis Pg. No.** 877

**Budget Page No.** 436

Expenditure Summary	Agency Request FY 2015	Governor Recommendation FY 2015	Senate Subcommittee Adjustments
Operating Expenditures:			
State Highway Fund	\$ --	\$ 371,309,070	\$ 0
Other Funds	--	377,177,723	0
Subtotal	\$ --	\$ 748,486,793	\$ 0
Capital Improvements:			
State Highway Fund	\$ --	\$ 509,148,894	\$ 0
Other Funds	--	0	0
Subtotal	\$ --	\$ 509,148,894	\$ 0
Total - Reportable Exp.	\$ --	\$ 1,257,635,687	\$ 0
Nonreportable Expenditures	\$ --	\$ 353,730,791	\$ 0
<b>GRAND TOTAL</b>	<b>\$ --</b>	<b>\$ 1,611,366,478</b>	<b>\$ 0</b>
FTE positions	2,790.5	2,790.5	0.0
Non FTE Uncl. Perm. Pos.	50.0	50.0	0.0
<b>TOTAL</b>	<b>2,840.5</b>	<b>2,840.5</b>	<b>0.0</b>

**Agency Request**

There were no **agency** budget requests made for FY 2015 by any state agencies other than those agencies designated in statute as biennial budget agencies. The Governor's budget recommendations to the 2013 Legislature do, however, include funding recommendations for each state agency for FY 2015.

### **Governor's Recommendation**

The **Governor** recommends FY 2015 reportable expenditures of \$1.32 billion for FY 2015, a decrease of \$358.0 million, or 21.4 percent, below the FY 2014 recommendation. Most of the decrease is in capital improvements (\$352.2 million, or 38.2 percent) and contractual services (\$25.7 million, or 17.3 percent) and reflects fewer planning construction lettings for FY 2015. The decreases are partially offset by increases for debt services payments (\$16.8 million, or 9.4 percent), salaries and wages (\$1.2 million, or 0.8 percent, for increases in the Kansas Public Employees Retirement System rate, workers compensation rates, and classified longevity payments), commodities (\$1.1 million, or 2.7 percent, primarily for road maintenance supplies), and aid to local units of government (\$874,378, or 0.5 percent). The recommendation includes 2,790.5 FTE positions, the same number recommended for FY 2015.

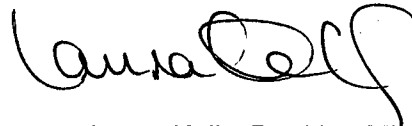
### **Senate Subcommittee Recommendation**

The **Subcommittee** concurs with the recommendations of the Governor.

## Minority Report

### Kansas Department of Transportation

Although I reluctantly concur with the Subcommittee's decision to adopt all of the Governor's recommendations for the Kansas Department of Transportation, I am very concerned with the transfers recommended by the Governor from the State Highway Fund to a variety of other funds in both FY 2014 and FY 2015. The Governor recommends \$235.2 million in transfers from the State Highway Fund for FY 2014, and that number increases to \$274.9 million for FY 2015. Since FY 1988, a total of \$2.6 billion has been transferred from the State Highway Fund for a variety of purposes, many with little to no connection to transportation-related purposes. I do not believe that either the magnitude or the frequency of these transfers is sustainable in the long term and have great concerns with utilizing the State Highway Fund to provide for expenditures for ongoing core functions of government.

A handwritten signature in black ink, appearing to read "Laura Kelly". The signature is fluid and cursive, with a large loop at the end.

Senator Laura Kelly, Ranking Minority