

MEMO



DATE: January 27, 2015
TO: House Appropriations, ATTN: Melinda Gall
FROM: Kansas Department of Transportation
RE: KDOT Agency Overview

KDOT heard the following questions during the agency overview and would like to ensure response:

- **Rep. Ryckman "What is the compensating tax that KDOT collects?"**

The chart below includes the split between sales tax and compensating use tax. These numbers are based on the Consensus Revenue Estimating Group (CREG); FY-18-20 Highway Revenue Estimating Group

	<u>Sales</u>	<u>Use</u>	<u>Total</u>
FY16	467,347	78,234	545,581
FY17	485,876	82,352	568,228
FY18	504,097	85,440	589,537
FY19	523,000	88,644	611,644
FY20	542,613	91,968	634,581

In thousands

- **"How are you impacted by an 18% cap in bonding?"**

The agency is currently restrained by an 18% cap or ceiling on its bonding authority in relation to annual revenue figures. Annual revenue for bonding consideration is reflected in the balance after transfers without federal funding additions. Currently, this cap amount would need to be lifted to accommodate an additional and budgeted \$250M in adjusted bonding in FY16.

- **Rep Hoffman, "Can you explain whether the \$29M in savings is KDOT or KTA savings?"**

Attached as a first addendum to this response document is a chart detailing savings amounts that have been demonstrated in a successful and fruitful partnership of KDOT and KTA.

- **Rep. Suellentrop, “What is your long term debt and what does your annualized principal and interest look like?”**

The agency has attached as a second addendum to include KDOT’s Bonding by Transportation Program profile. Annualized debt service averages 185-190M per year in fiscal years FY16-20 (principle and interest) which includes an additional 250M to be issued in FY16.

- **Rep. Kleebe, “How would you be impacted in the move to general obligation bonds?”**

General obligation bonds would be a departure from the revenue bonds that KDOT currently issues. The scenario would move bonding from the revenue to expenditures in the agency’s ledger. KDOT is currently discussing this scenario with bond counsel and a financial advisor.



Innovation Team Success Savings Tracker



Partnership category	Lead Innovation Team	Estimated Savings Identified	Savings Recipients
Engineering, Project Delivery, and Technical Services	Project Delivery and Construction Contracting	\$13,878,463	KTA, KDOT, and the City of Wichita
Administrative Savings	Revenues and Expenditures/KTA Board Organizational and Legislative Development Communications and Performance Measures	\$14,897,780	KTA and KDOT
Technology & IT	Technology Capabilities and Resources	\$863,394	KTA and KDOT
Maintenance Services	Maintenance and Operations	\$289,358	KTA and KDOT
*Total		\$29,928,985	
Estimates subject to change as each project is implemented			

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Bonding by Transportation Program

	CHP - FY 1990-1998		CTP - FY 2000-2009		T-WORKS - FY 2011-2020		
	As Passed	Final	As Passed	Final	As Passed	Current	Final
Debt	\$890M	\$890M	\$995M	\$1.272B	\$1.725B *	\$1.025B	\$1.471B **
Legislation regarding bonding	Fixed dollar amount		Fixed dollar amount, later adjusted		No fixed dollar amount. Revenues cannot exceed 18% of SHF revenues.		

*No set bonding amount for T-WORKS. This was an estimate.

** This is what we estimate the debt total will be at the end of T-WORKS as of Jan. 2015.