KDOT Budget Impacts

House Transportation Committee

January 29, 2015

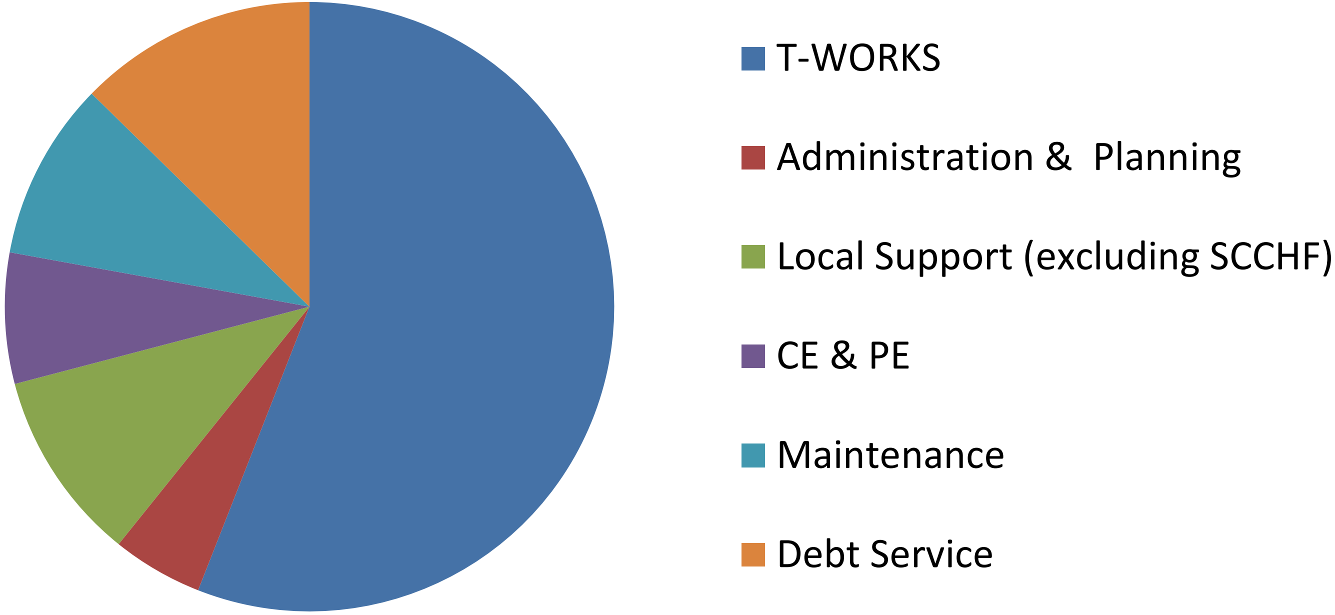
Kansas Department of Transportation

Agenda

- FY 2010-2020
- FY 2016-2017
- What the budget really means

More than just T-WORKS

FY2011- FY2020



FY 2011 - FY 2020 Cashflow Comparison (In Thousands)
State Highway Fund

	September 2010 Budget Submission	January 2015 Gov Rec	Difference 2010 v 2015
Beginning Balance	**204,389**	**204,389**	
State Revenues Sources			
Motor Fuel Taxes	3,005,316	2,880,275	(125,041)
Sales and Comp Tax	4,629,825	4,884,740	254,915
Registration Fees	2,040,565	1,969,714	(70,851)
Other Sources	200,862	269,402	68,540
Subtotal - State	**9,876,568**	**10,004,131**	**127,563**
Fed and Local Const Reimbursements	**3,945,178**	**4,280,456**	**335,278**

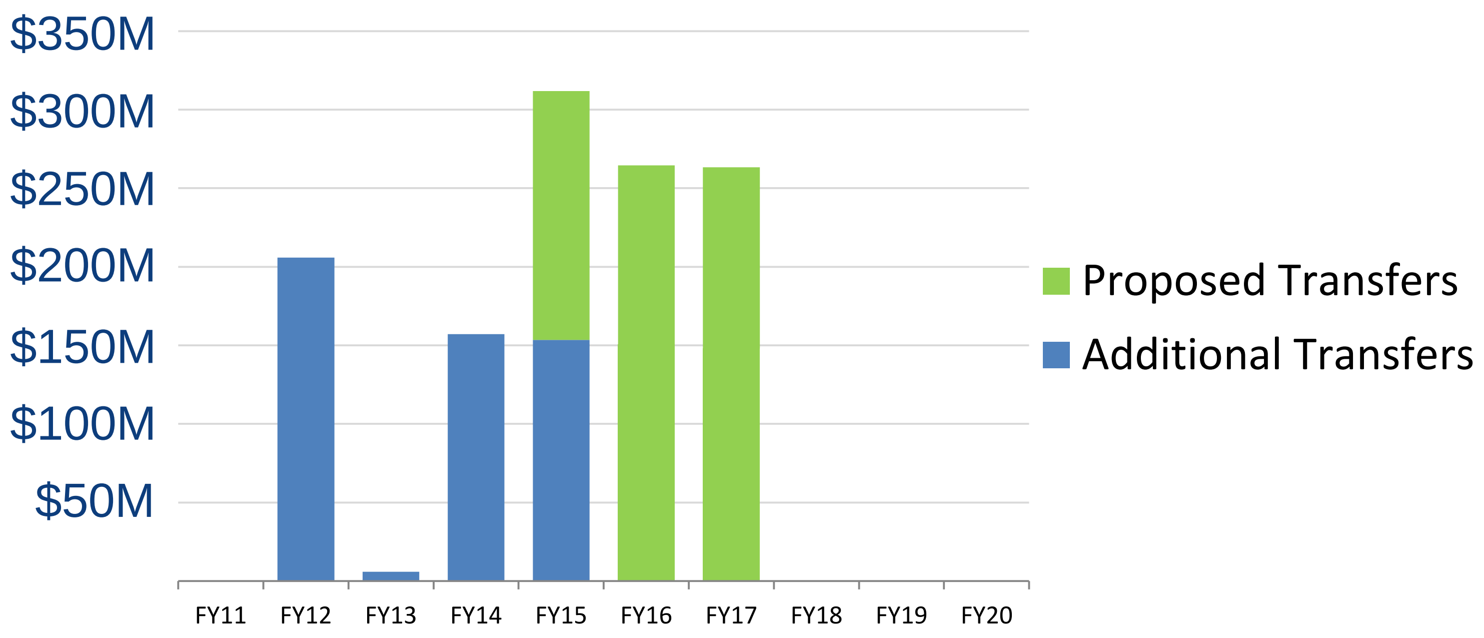
FY 2011 - FY 2020 Cashflow Comparison (In Thousands)
State Highway Fund

	September 2010 Budget Submission	January 2015 Gov Rec	Difference 2010 v 2015
Expenditures			
Maintenance	1,634,186	1,370,598	(263,588)
Construction	6,856,367	6,159,255	
Preservation			
Modernization			
Expansion			
Construction Subtotal	6,856,367	6,159,255	(697,112)
CE & PE	1,460,630	1,004,940	(455,690)
Local Support	1,379,694	1,510,276	130,582
Management	826,327	697,905	(128,422)
Transfer to Debt Service	2,125,800	1,841,625	(284,175)

Construction Savings:
$6.8 billion to $6.1 billion

- Decreasing construction costs
  - Bids lower than original construction estimates
  - Enhanced service life from modern resurfacing materials
- Meeting/exceeding our pavement performance targets
- Benefitting from new technology in pavement design

Additional Transfers Out

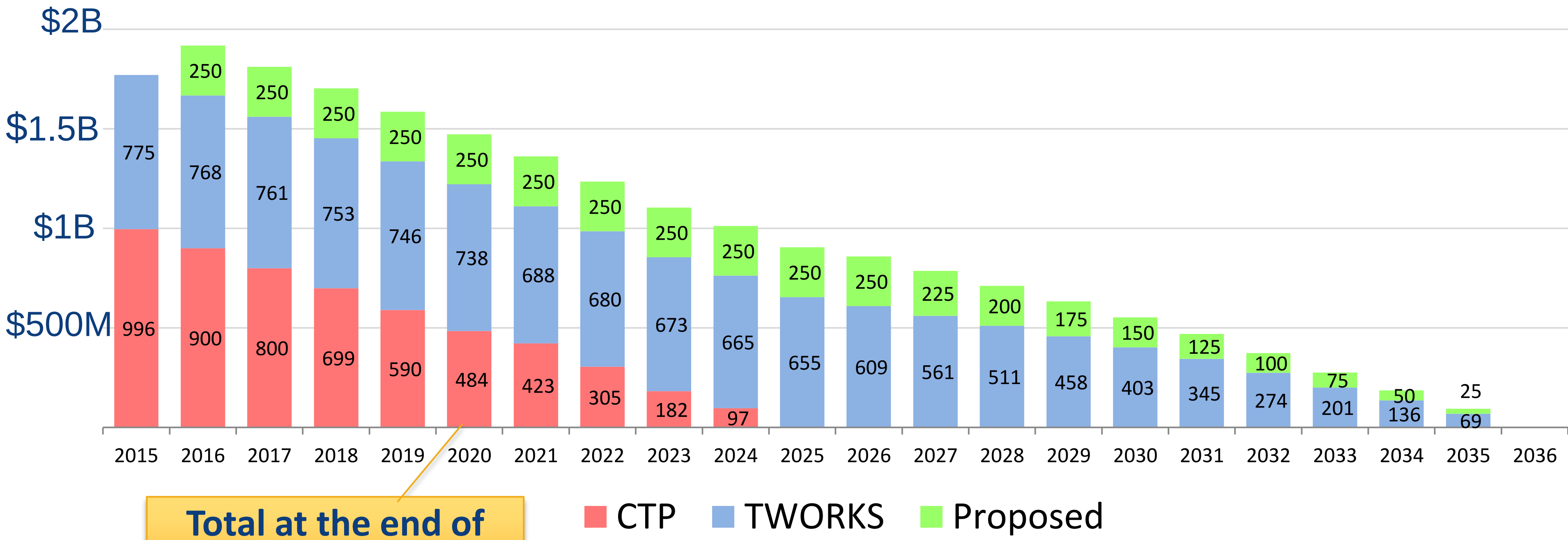


Bonding by Transportation Program

	CHP FY 1990-98		CTP FY 2000-09		T-WORKS FY 2010-20	
Debt	**As passed**	**Final**	**As passed**	**Final**	**As passed**	**Current T-WORKS**
	$890M	$995M	$995M	$1.272B	$1.725B*	$1.025B
Legislation	Fixed dollar amount		Fixed dollar amount, later adjusted		Revenues can not exceed 18% of SHF revenues. No fixed dollar amount.	

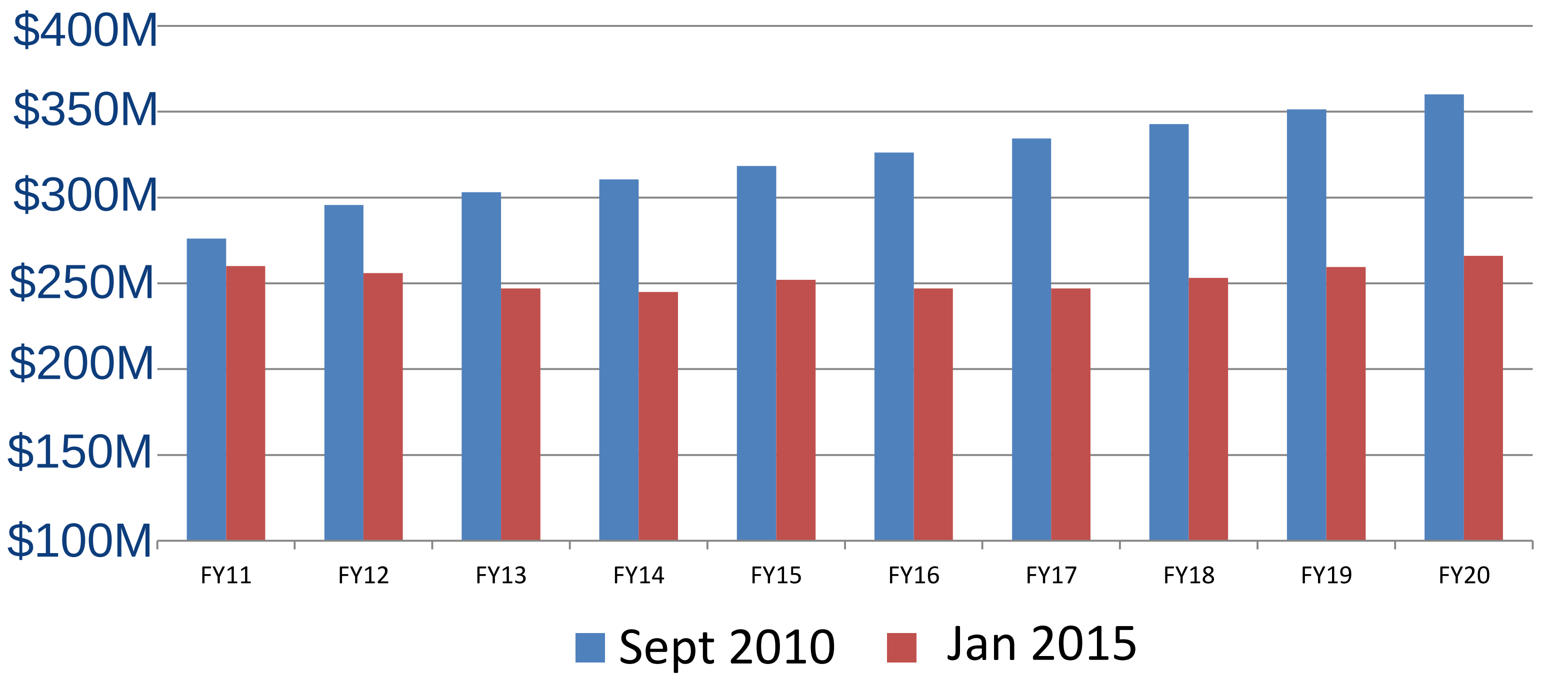
*No set bonding amount for T-WORKS. This was an estimate.

Total Debt Outstanding by Program



Total at the end of T-WORKS = $1.471B

Comparison of Inflation-Adjusted Agency Operation Budget vs. Actual/Projected Expenditures



FY2016-FY2017

Revenues

Reflected in Thousands	FY 2016		FY 2017	
	Gov Rec	% of total revenues	Gov Rec	% of total revenues
State				
Motor Fuel Taxes	$435,592	23.3%	$436,892	26.6%
Sales & Compensating Tax	545,732	29.2%	568,379	34.7%
Registration Fees	208,000	11.1%	208,000	12.7%
Other	37,132	2.0%	37,851	2.3%
Subtotal	1,226,456	65.7%	1,251,122	76.3%
Federal Reimbursement	361,893	19.4%	360,456	22.0%
Local Construction	28,675	1.5%	28,443	1.7%
Bond Proceeds	250,000	13.4%	-	0.0%
Total	**1,867,024**	**100.0%**	**1,640,021**	**100.0%**
Less Transfers Out	(376,738)		(378,367)	
Total Available Revenues	**$1,490,286**		**$1,261,654**	

Reportable Expenditures

	FY 2016		FY 2017	
	Gov Rec	% of total expenditures	Gov Rec	% of total expenditures
Administration and Transportation Planning	$58,972,021	5.3%	$60,526,586	3.9%
Local Support	219,277,719	19.8%	219,256,619	14.2%
Maintenance	134,854,101	12.2%	139,197,694	9.0%
Construction	692,691,788	62.6%	1,120,250,019	72.8%
Total Reportable Expenditures	***$1,105,795,629***	***100.0%***	***$1,539,230,918***	***100.0%***

What the budget really means

All T-WORKS projects already scheduled for letting will be constructed under the Governor's proposed budget.

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Remaining available T-WORKS dollars will fund additional preservation projects to a level that allows KDOT to maintain a positive ending balance in the State Highway Fund.

Ending balances are shaped by a number of ever-changing variables.

Based on our most recent assumptions, we can meet our performance targets for road and bridge conditions at this funding level.

Projected Construction Lettings

FY 2015	FY 2016	FY 2017
$608 million	$636 million	$718 million

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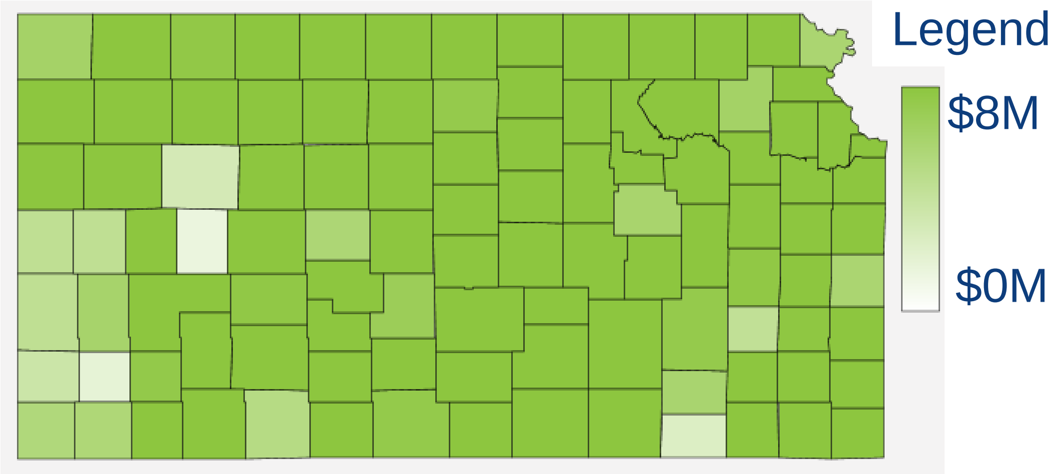
Future savings from lower-than-anticipated bids and other agency savings, combined with additional revenue sources, will go toward funding projects delayed to the latter years of the T-WORKS program.

T-WORKS Accomplishments



- 76 counties have met the $8M promise
- 1,165 projects completed
- 8,608 miles improved
- 653 bridges repaired/replaced

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