

FY 2013, FY 2014, and FY 2015

Transportation and Public Safety Budget Committee

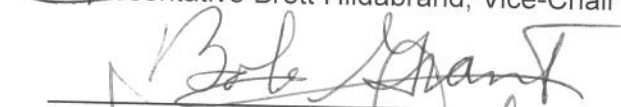
Kansas Highway Patrol
Kansas Department of Transportation



Representative Virgil Peck, Jr., Chair




Representative Brett Hildabrand, Vice-Chair



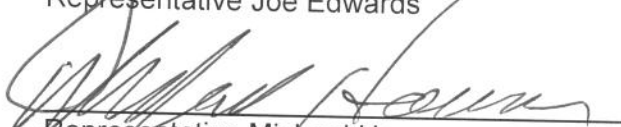
Representative Bob Grant, Ranking Minority Member



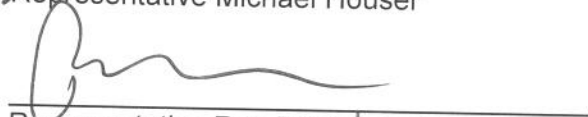
Representative Stephanie Clayton



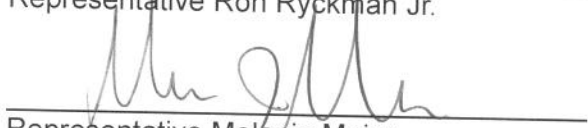
Representative Joe Edwards



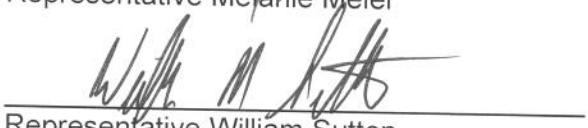
Representative Michael Houser



Representative Ron Ryckman Jr.



Representative Melanie Meier



Representative William Sutton

House Budget Committee Report

Agency: Kansas Highway Patrol

Bill No. HB 2088

Bill Sec. 37

Analyst: Cussimano

Analysis Pg. No. 1693

Budget Page No. 370

Expenditure Summary	Agency Estimate FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	81,045,586	81,045,586	0
Subtotal	<u>\$ 81,045,586</u>	<u>\$ 81,045,586</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,125,432	1,125,432	0
Subtotal	<u>\$ 1,125,432</u>	<u>\$ 1,125,432</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 82,171,018</u></u>	 <u><u>\$ 82,171,018</u></u>	 <u><u>\$ 0</u></u>
 FTE positions	 841.0	 841.0	 0.0
Non FTE Uncl. Perm. Pos.	34.0	34.0	0.0
TOTAL	<u><u>875.0</u></u>	<u><u>875.0</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency** estimates a FY 2013 operating expenditure budget of \$81,045,586, all from special revenue funds, a decrease of \$261,295, or 0.3 percent, below the current approved amount for FY 2013. After adjustments for the undermarket pay, the revised estimate is \$620,295, or 0.8 percent, below the amount approved by the 2012 Legislature. The revised estimate includes 841.0 FTE positions.

Governor's Recommendation

The **Governor** concurs with the agency's revised estimate in FY 2013.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Kansas Highway Patrol

Bill No. HB 2231

Bill Sec. 125

Analyst: Cussimano

Analysis Pg. No. 1693

Budget Page No. 370

Expenditure Summary	Agency Request FY 2014	Governor Recommendation FY 2014	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	77,957,632	76,169,095	0
Subtotal	<u>\$ 77,957,632</u>	<u>\$ 76,169,095</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	799,672	799,672	0
Subtotal	<u>\$ 799,672</u>	<u>\$ 799,672</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 78,757,304</u></u>	 <u><u>\$ 76,968,767</u></u>	 <u><u>\$ 0</u></u>
 FTE positions	 841.0	 841.0	 0.0
Non FTE Uncl. Perm. Pos.	34.0	34.0	0.0
TOTAL	<u><u>875.0</u></u>	<u><u>875.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests a FY 2014 operating budget of \$77,957,632, all from special revenue funds. This is a decrease of \$2,265,051, or 3.8 percent, below the FY 2013 revised estimate.

The request includes enhancement funding of \$1,772,561, all from special revenue funds. Absent enhancements, the agency request totals \$75,692,581, a decrease of \$5,353,005, or 6.8 percent, below the FY 2013 revised estimate.

Major adjustments include a decrease of approximately \$2.5 million in federal and homeland security funds not anticipated to reoccur for FY 2014. Additionally, the agency states that it will receive notice of awarded homeland security funds until late in the fiscal year, therefore potential grant funds for federal fiscal year 2014 are not estimated in the budget.

The request includes 841.0 FTE positions, which is the same as the FY 2013 revised estimate.

Governor's Recommendation

The **Governor** recommends a FY 2014 operating budget of \$76,169,095, all from special revenue funds. The recommendation is a decrease of \$1,788,537, or 2.3 percent, below

the agency's FY 2014 request. The Governor did not recommend funding of \$1,772,561 for the agency's enhancement request for the trooper recruit class and also deleted \$15,976 to reflect the Governor's recommendation to reduce the Kansas Public Employees Retirement System (KPERS) death and disability employer contribution from the statutory 1.0 percent to 0.85 percent for FY 2014. The Governor did include \$492,490 for the undermarket pay plan approved by the 2012 Legislature.

The recommendation is an all funds decrease of \$4,876,491, or 6.0 percent, below the Governor's FY 2013 recommendation. The decrease is mainly attributable to federal funds recommended in FY 2013 that do not continue into FY 2014. Since the agency will receive notice of awarded homeland security funds late in the fiscal year, potential grant funds were not included in the Governor's recommendation.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following adjustment:

1. Approve a 5.0 percent pay increase, which would total approximately \$1.2 million, for State Troopers, excluding the Colonel and Lieutenant Colonel, for FY 2014. The funds for the pay increase would come from existing resources within the Kansas Highway Patrol.

House Budget Committee Report

Agency: Kansas Highway Patrol

Bill No. HB 2231

Bill Sec. 126

Analyst: Cussimanio

Analysis Pg. No. 1693

Budget Page No. 370

Expenditure Summary	Agency Request FY 2015	Governor Recommendation FY 2015	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ --	\$ 0	\$ 0
Other Funds	--	76,289,689	1,204,068
Subtotal	\$ --	\$ 76,289,689	\$ 1,204,068
Capital Improvements:			
State General Fund	\$ --	\$ 0	\$ 0
Other Funds	--	602,706	0
Subtotal	\$ --	\$ 602,706	\$ 0
 TOTAL	 \$ --	 \$ 76,892,395	 \$ 1,204,068
 FTE positions	 --	 841.0	 0.0
Non FTE Uncl. Perm. Pos.	--	34.0	0.0
TOTAL	--	875.0	0.0

Agency Request

The **agency** makes no request for FY 2015 operating expenditures. 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 a FY 2015 operating budget of \$76,289,689, all from special revenue funds. The recommendation is an increase of \$120,657, or 0.2 percent, above the Governor's FY 2014 recommendation. The increase is due to an increase in salaries and wages, mainly for longevity bonus payments, employer retirement and workers compensation contributions. These increases were offset by a reduction in debt service interest payments due to the final payment on the 10-year bonds on the VIN facility occurring in FY 2014.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following adjustments:

1. Continue a 5.0 percent pay increase, which would total approximately \$1.2 million, for State Troopers, excluding the Colonel and Lieutenant Colonel, for FY 2015. The funds for the pay increase would come from a transfer from the State Highway Fund.
2. Transfer \$1.2 million from the State Highway Fund to the Kansas Highway Patrol Operations Fund for FY 2015.

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
Operating Expenditures:			
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>
Capital Improvements:			
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

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
Operating Expenditures:			
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>
Capital Improvements:			
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>
GRAND TOTAL	<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
TOTAL	<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.

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 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 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
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
GRAND TOTAL	\$ --	\$ 1,611,366,478	\$ 0
FTE positions	--	2,790.5	(100.0)
Non FTE Uncl. Perm. Pos.	--	50.0	0.0
TOTAL	--	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.