



KCA
KANSAS CONTRACTORS
ASSOCIATION

Neutral Testimony on SB 119
Senate Transportation Committee
February 11, 2025

Chairman Petersen and Members of the Committee,

Thank you for the opportunity to appear before you on behalf of the Kansas Contractors Association (KCA). The KCA represents more than 220 companies working in Kansas' heavy construction industry. Collectively, these companies create and sustain thousands of good-paying, private sector jobs across our state. The KCA applauds the efforts of the Kansas Legislature over the last several years to reduce highway transfers, complete commitments made under T-Works and continue investment in the IKE transportation plan with stable, consistent funding for the Kansas Department of Transportation.

I am not here today to speak on the policy merits of SB 119. As stated by the proponents, this bill would merely shift fees currently being paid by vehicle owners and deposited in the state highway fund to the county treasurer office collecting the fees. There is no increase in fees, however, passage of the bill would create a projected loss to the State Highway Fund of \$16 million.

Ordinary Transfers rise even as Extraordinary Transfers were eliminated

You will see from Table I that I have attached to my testimony, as the extraordinary transfers were eliminated in FY 2023, the ordinary transfers have increased over the last three fiscal years from \$121 million in FY 2023 to \$143 million in FY 2025, with a proposed increase to \$146 million in FY 2026.

As part of the ordinary transfers, \$55 million was transferred from the State Highway Fund in FY 2025 to the Kansas Department of Revenue for the vehicle operating fund with a proposed additional transfer from the Highway Fund of \$56 million in the FY 2026 budget.

Costs continue to rise for projects

As you have heard from KDOT presentations, with record inflation over the last several years, maintenance and preservation needs of the system are now projected at over \$600 million annually. This does not include the investment needed each year to modernize the system. The needs of the transportation system are far greater than the resources available to fund them.

Budget amendment

If the decision by this committee is to favorably recommend passage of SB 119, the KCA would respectfully request an amendment of \$16 million in the annual budget to offset the loss to the State Highway Fund.

Thank you again for allowing me the opportunity to appear before you today.

Michael White, Executive Director

mwhite@webuildkansas.com

State Highway Fund Transfers – FY 18 to FY 26

