

KANSAS DEPARTMENT OF TRANSPORTATION

FY 2023 – FY 2025 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2023 – FY 2025

	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	4,181,956	-	-	-	-
All Other Funds	1,014,770,084	875,386,031	875,386,031	825,672,676	826,060,921
<i>Subtotal</i>	<u>\$ 1,018,952,040</u>	<u>\$ 875,386,031</u>	<u>\$ 875,386,031</u>	<u>\$ 825,672,676</u>	<u>\$ 826,060,921</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	1,837,667,094	1,368,295,532	1,368,295,532	1,472,945,064	1,472,945,064
<i>Subtotal</i>	<u>\$ 1,837,667,094</u>	<u>\$ 1,368,295,532</u>	<u>\$ 1,368,295,532</u>	<u>\$ 1,472,945,064</u>	<u>\$ 1,472,945,064</u>
TOTAL	<u>\$ 2,856,619,134</u>	<u>\$ 2,243,681,563</u>	<u>\$ 2,243,681,563</u>	<u>\$ 2,298,617,740</u>	<u>\$ 2,299,005,985</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	39.7 %	(21.5) %	(21.5) %	2.4 %	2.5 %
FTE Positions	2,283.3	2,288.8	2,288.8	2,288.8	2,288.8

The Kansas Department of Transportation (KDOT) is a cabinet-level agency headed by a secretary appointed by the Governor. The purpose of KDOT is to coordinate the planning, development, and operation of the various modes and systems of transportation within the state. KDOT has administrative and planning responsibilities for aviation, highways, public transportation, railroads, and waterways. However, the agency’s efforts focus on approximately 10,000 miles of the state highway system’s more than 140,372 total miles of public roads and highways (KSA 68-406(a)). Of those miles, approximately 10,000 are maintained by KDOT, 238 by the Kansas Turnpike Authority, and approximately 130,000 by local governments. There are also 307 miles located on the grounds of state parks. Of the miles of highway maintained by the State, 635 are on the interstate highway system. The State of Kansas ranks fourth nationwide in the total number of public roads, and fifth in the total number of bridges. Statewide, there are approximately 25,000 bridges.

KDOT traditionally has five programs: Administration, Transportation Planning and Modal Support, Local Support, Maintenance, and Construction. The Kansas Infrastructure Hub was added as a sixth program in FY 2023 to account for the one-time addition of discretionary funding from the American Rescue Plan Act.

STATE OPERATIONS AND CAPITAL IMPROVEMENTS

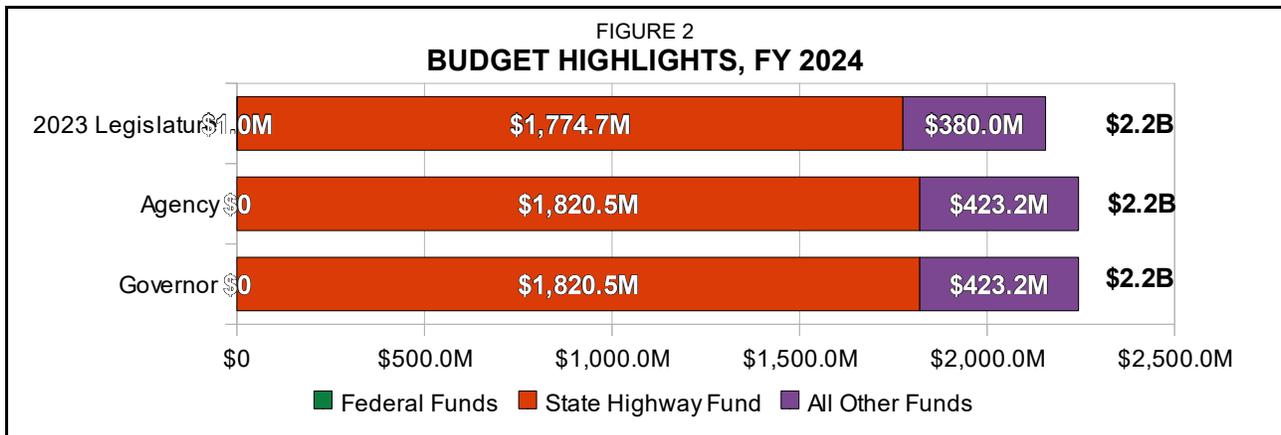
In a state agency budget, state operations include agency operating costs for salaries and wages and other operating expenditures. Other operating expenditures include contractual services, commodities, and capital outlay. Agency budgets also include separate categories for aid to local units of government, other assistance, and capital improvements. The KDOT budget differs from other agency budgets in that expenditures typically considered state operations are included with budgeted capital improvements expenditures. For example, the Construction program includes capital improvements expenditures but also contains expenditures classified as state operations.

For state budgeting and accounting purposes, an expenditure is categorized as reportable only when it initially is spent to avoid double counting. Consequently, when reviewing KDOT’s budget,

tabular data (including those in the Governor’s Budget Report) reflect reportable expenditures and exclude spending of nonreportable money. Nonreportable expenditures account for interfund transfers, including those from the State Highway Fund, to other entities where the reportable expenditure occurs. These transfers also include proceeds from highway bonds expended for construction projects. The magnitude of nonreportable spending by KDOT is significant. Within the agency’s budget submission, nonreportable expenditures include \$175.4 million in FY 2024 and \$384.0 million for FY 2025.

EXECUTIVE SUMMARY

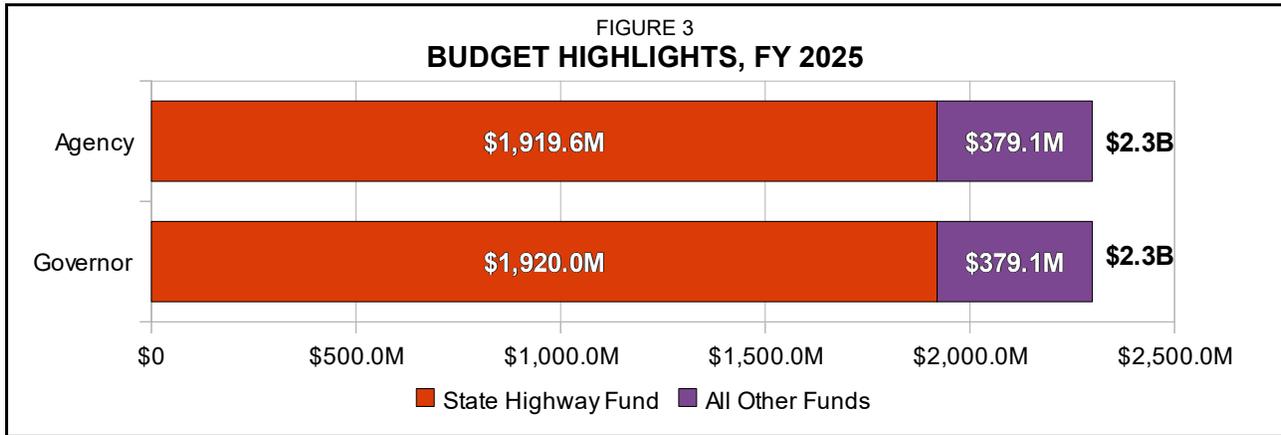
Subsequent to the 2023 Session, no adjustments were made to the \$2.2 billion approved for the Kansas Department of Transportation for FY 2024.



The **agency** submits a revised estimate of \$2.2 billion, including \$1.8 billion from the State Highway Fund, in expenditures in FY 2024. This is an all funds increase of \$87.9 million, or 4.1 percent, including a State Highway Fund increase of \$45.8 million, or 2.6 percent, above the FY 2024 approved amount. This is the fourth year of the Eisenhower Legacy (IKE) Transportation Plan, and expenditures include increased capital improvements in the Construction Program for the letting of highway expansion projects (\$41.7 million) and preservation projects (\$47.4 million), as well as increased engineering services to support these projects. The revised estimate includes increased capital improvements for buildings (\$23.9 million), primarily due to construction of a new District One Headquarters in Topeka.

The increase from the agency's FY 2024 approved budget also includes expenditures for salaries and wages, costs for bond issuance, rail and airport improvements, and innovative technologies. The increase is partially offset by decreased expenditures for heavy equipment, public transit, and capital improvements for highway modernization projects. The revised estimate includes 2,288.8 FTE positions, which is an increase of 3.5 FTE positions above the FY 2024 approved number. The position increase is mainly for public communication specialists and traffic safety analysts.

The **Governor** concurs with the agency's revised estimate in FY 2024.



The **agency** requests \$2.3 billion, including \$1.9 billion from the State Highway Fund, in expenditures for FY 2025. This is an all funds increase of \$54.9 million, or 2.4 percent, including a State Highway Fund increase of \$99.0 million, or 5.4 percent, above the FY 2024 revised estimate. FY 2025 will be the fifth year of the IKE Transportation Plan, and expenditures include increased capital improvements in the Construction Program for the letting of highway expansion projects (\$139.3 million) and modernization projects (\$16.6 million).

The request also includes increased expenditures for heavy equipment and debt service on highway bonds. The increase is partially offset by decreased capital improvements for buildings, primarily due to completion of the District One Headquarters in FY 2024. The increase is further offset by decreased expenditures for rail and airport improvements, public transit, and innovative technologies. The request includes 2,288.8 FTE positions, which is unchanged from the FY 2024 revised number.

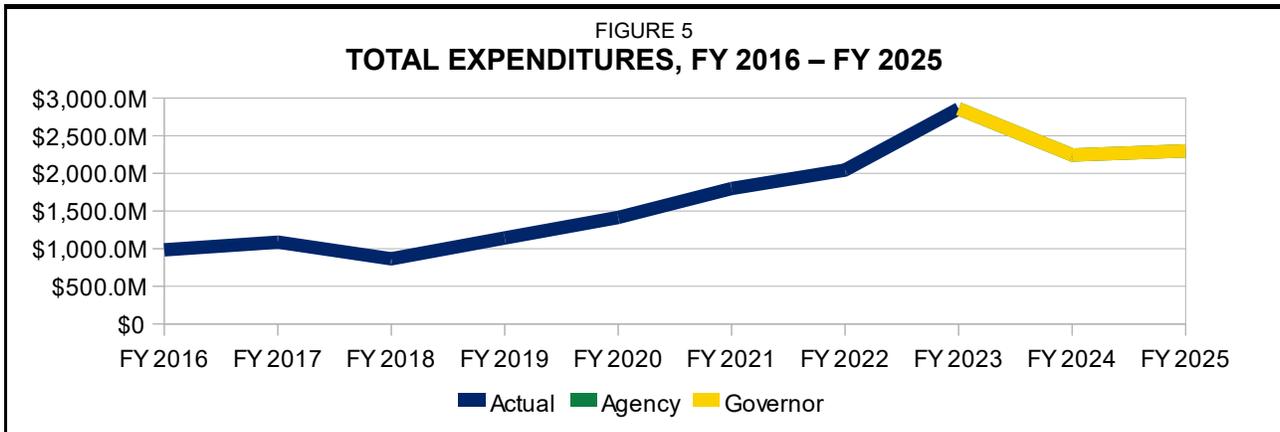
The **Governor** recommends \$2.3 billion, including \$1.9 billion from the State Highway Fund, in expenditures for FY 2025. This is an increase of \$388,245, or less than 0.1 percent, all from the State Highway Fund, above the FY 2025 requested amount. The increase is due to the Governor recommending \$315,244 for increased differential and standby pay for certain employees in the Maintenance program, including those responsible for snow and ice removal on state highways, and \$73,000 to increase the tool and personal protective equipment (PPE) allowances for maintenance employees. The recommendation also includes a transfer of \$361,266 from the Mental Health Grants Fund at the Kansas Department for Aging and Disability Services (KDADS) to the State Highway Fund for FY 2025, which returns the unspent balance from a previous transfer to KDADS. The recommendation includes 2,288.8 FTE positions, which is unchanged from the requested number.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2023 – FY 2025

Category of Expenditure:	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 151,461,245	\$ 178,062,223	\$ 178,062,223	\$ 177,468,881	\$ 177,784,126
Contractual Services	459,712,396	242,388,832	242,388,832	240,983,891	240,983,891
Commodities	37,832,490	46,742,667	46,742,667	46,810,085	46,883,085
Capital Outlay	36,539,053	21,320,854	21,320,854	22,778,159	22,778,159
Debt Service Interest	72,781,155	64,870,110	64,870,110	64,626,053	64,626,053
<i>Subtotal</i>	<i>\$ 758,326,339</i>	<i>\$ 553,384,686</i>	<i>\$ 553,384,686</i>	<i>\$ 552,667,069</i>	<i>\$ 553,055,314</i>
Aid to Local Units	199,068,652	240,026,985	240,026,985	225,978,753	225,978,753
Other Assistance	61,557,049	81,974,360	81,974,360	47,026,854	47,026,854
<i>Subtotal-Operating</i>	<i>\$ 1,018,952,040</i>	<i>\$ 875,386,031</i>	<i>\$ 875,386,031</i>	<i>\$ 825,672,676</i>	<i>\$ 826,060,921</i>
Capital Improvements	1,606,257,094	1,264,880,532	1,264,880,532	1,366,820,064	1,366,820,064
Debt Service Principal	231,410,000	103,415,000	103,415,000	106,125,000	106,125,000
TOTAL	\$ 2,856,619,134	\$ 2,243,681,563	\$ 2,243,681,563	\$ 2,298,617,740	\$ 2,299,005,985
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
State Highway Fund	2,353,235,393	1,820,527,581	1,820,527,581	1,919,566,434	1,919,954,679
Federal Funds	4,181,956	-	-	-	-
All Other Funds	499,201,785	423,153,982	423,153,982	379,051,306	379,051,306
TOTAL	\$ 2,856,619,134	\$ 2,243,681,563	\$ 2,243,681,563	\$ 2,298,617,740	\$ 2,299,005,985
FTE Positions	2,283.3	2,288.8	2,288.8	2,288.8	2,288.8

TOTAL EXPENDITURES - REPORTABLE



For the Kansas Department of Transportation, reportable operating expenditures increased by \$1.9 billion from FY 2016 to FY 2023. The majority of expenditures are for the letting of construction projects that preserve, modernize, and expand the roads and bridges that compose the state highway system. Construction projects have averaged 76.6 percent of actual agency budget expenditures since implementation of the IKE Transportation Plan in FY 2021. Other significant expenditures include aid to local governments, primarily from the Special City and County Highway Fund, and routine maintenance of the highway system.

FY 2024 ANALYSIS

FIGURE 6

SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	All Funds	FTE
Legislative Approved:			
Amount Approved by 2023 Legislature	\$ -	\$ 2,155,780,834	2,285.3
1. No Change	-	-	--
<i>Subtotal—Legislative Approved</i>	<u>\$ -</u>	<u>\$ 2,155,780,834</u>	<u>2,285.3</u>
Agency Revised Estimate:			
2. Salaries and Wages	\$ -	\$ 3,237,812	3.5
3. Heavy Equipment	-	(1,158,736)	--
4. Information Systems Consulting	-	1,126,300	--
5. Engineering Contractual Services	-	47,978,867	--
6. Rail Service Improvement Fund	-	29,804,666	--
7. Innovative Technologies Grants	-	9,939,035	--
8. Kansas Airport Improvement Program	-	885,615	--
9. Public Transit	-	(5,534,503)	--
10. Construction Preservation - CI	-	47,364,241	--
11. Construction Expansion - CI	-	41,674,704	--
12. Construction Modernization - CI	-	(112,007,314)	--
13. Construction Local - CI	-	(3,932,960)	--
14. Buildings - CI	-	23,897,815	--
15. Highway Bond Issuance Costs	-	900,000	--
16. All Other Adjustments	-	3,725,187	--
<i>Subtotal—Agency Revised Estimate</i>	<u>\$ -</u>	<u>\$ 2,243,681,563</u>	<u>2,288.8</u>
Governor's Recommendation:			
17. No Change	-	-	--
TOTAL	<u><u>\$ -</u></u>	<u><u>\$ 2,243,681,563</u></u>	<u><u>2,288.8</u></u>

*Capital Improvements (CI)

LEGISLATIVE APPROVED

- 1. NO CHANGE.** Subsequent to the 2023 Session, no adjustments were made to the \$2.2 billion approved for the Kansas Department of Transportation for FY 2024.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$2.2 billion, including \$1.8 billion from the State Highway Fund, in expenditures in FY 2024. This is an all funds increase of \$87.9 million, or 4.1 percent, including a State Highway Fund increase of \$45.8 million, or 2.6 percent, above the FY 2024 approved amount. The revised estimate includes 2,288.8 FTE positions, which is an increase of 3.5 FTE positions above the FY 2024 approved number.

Significant adjustments are as follows:

- 2. SALARIES AND WAGES.** The revised estimate includes an increase of \$3.2 million, all from the State Highway Fund, for salaries and wages expenditures in FY 2024. This increased funding addresses staffing needs, primarily for traffic safety, public communications, and highway maintenance, as well as increased employer contributions for fringe benefits. The request includes an increase of 3.5 FTE positions. The position increase results from an increase of 4.5 FTE positions in the Administration program and 15.0 FTE positions in the Transportation and Modal Support program, which is offset by a total decrease of 16.0 FTE positions in the Local Support, Maintenance, and Constructions programs. The agency indicates the position increase

is due to staffing needs for public communications positions in the Administration program and traffic safety positions in the Transportation and Modal Support program.

3. **HEAVY EQUIPMENT.** The revised estimate includes a decrease of \$1.2 million for replacement of heavy equipment used for highway maintenance in FY 2024. The agency notes additional equipment was purchased in FY 2023 above the original estimate, which reduces the need for replacement in FY 2024 and allows for expenditures in other areas. The agency indicates an equipment replacement plan is under examination to determine methods for eliminating the backlog.
4. **INFORMATION SYSTEMS CONSULTING.** The revised estimate includes an increase of \$1.1 million for information systems consulting in FY 2024. Projects include required updates to the State Highway Safety Plan, collection of traffic and vehicle data for federal reporting, and traffic safety education and enforcement efforts associated with the Bipartisan Infrastructure Law.
5. **ENGINEERING CONTRACTUAL SERVICES.** The revised estimate includes an increase of \$48.0 million in contractual engineering services for projects under the IKE Transportation Plan in FY 2024. These increased services support planning, right-of-way acquisition, and inspection of highway preservation and expansion projects, primarily in the Construction program and the Transportation Planning and Modal Support program.
6. **RAIL SERVICE IMPROVMENT FUND.** The revised estimate includes an increase of \$29.8 million, all from the Rail Service Improvement Fund, for grants and assistance to qualified entities in FY 2024. The increase is primarily due to receipt of a Federal Railroad Administration grant totaling \$28.9 million. The increase is also attributable to a transfer of the unencumbered balance from the Short Line Rail Improvement Fund to conform with 2023 HB 2335, which combined the two rail funds. This adjustment provides a total of \$40.4 million in expenditures in FY 2024 to support track maintenance or rehabilitation of railroads and rolling stock.
7. **INNOVATIVE TECHNOLOGIES GRANTS.** The revised estimate includes an increase of \$9.9 million, which includes \$4.5 million from the Transportation Technology Development Fund and \$5.4 million from the Broadband Infrastructure Construction Grant Fund, in FY 2024. The increase is attributable to carryover funding from FY 2023. This adjustment provides a total of \$8.5 million in expenditures from the Transportation Technology Development Fund for grants supporting the development of technologies that increase efficiency and safety. This adjustment also provides a total of \$15.4 million in expenditures from the Broadband Infrastructure Construction Fund for grants supporting broadband projects, such as layering fiber conduit during highway construction.
8. **KANSAS AIRPORT IMPROVEMENT PROGRAM.** The revised estimate includes an increase of \$885,615, all from the Public Use General Aviation Airport Development Fund, for grants to local airports for planning, constructing, and rehabilitating facilities in FY 2024. The increase is attributable to carryover funding from FY 2023. This adjustment provides a total of \$10.9 million in expenditures for this purpose.
9. **PUBLIC TRANSIT.** The revised estimate includes a decrease of \$5.5 million in aid and assistance for the transport of persons with disabilities, older adults, and the general public, which includes bus services, in FY 2024. The agency indicates the decrease in FY 2024 is due to the availability of unspent funds at local Coordinated Transit Districts awarded in previous years.

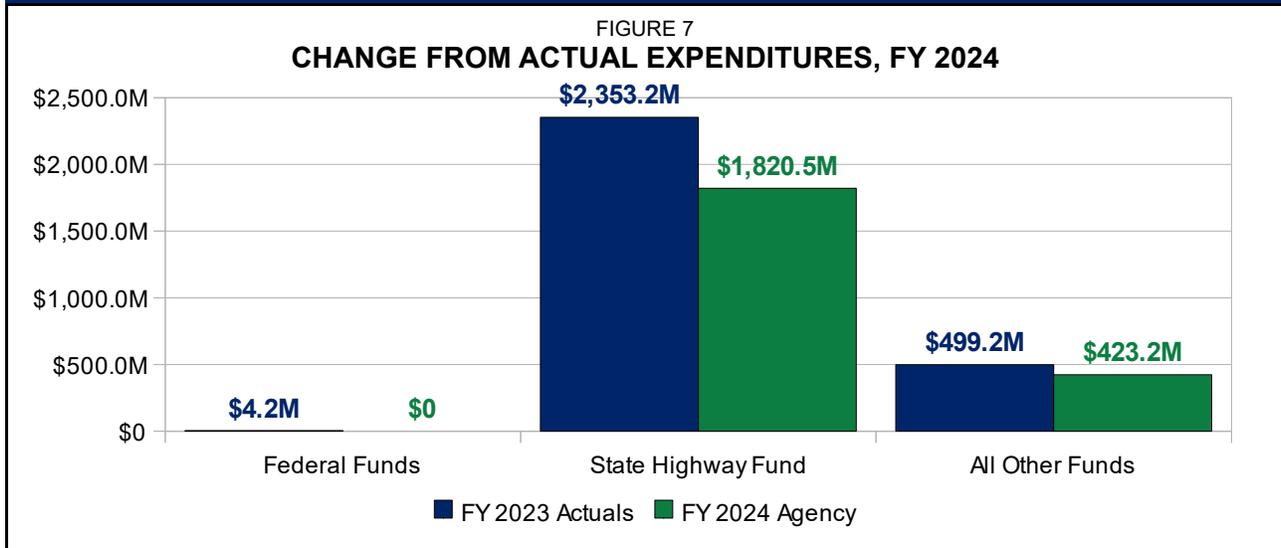
10. **CONSTRUCTION PRESERVATION – CAPITAL IMPROVEMENTS.** The revised estimate includes an increase of \$47.4 million in capital improvement (CI) preservation projects to maintain roads and bridges on the State Highway System in as-built condition. The increase is primarily attributable to increased non-interstate resurfacing (\$35.5 million) and bridge repair (\$29.0 million).
11. **CONSTRUCTION EXPANSION - CAPITAL IMPROVEMENTS.** The revised estimate includes an increase of \$41.7 million in CI expansion projects on the State Highway System. The increase is primarily attributable to increased capacity improvement projects (\$44.3 million), such as the US-40 Highway in Douglas County. The increase is partially offset by decreased Economic Development and Cost Share projects.
12. **CONSTRUCTION MODERNIZATION - CAPITAL IMPROVEMENTS.** The revised estimate includes a decrease of \$112.0 million in CI modernization projects that bring roads on the State Highway System up to current safety standards. The decrease is primarily attributable to decreased roadway improvements (\$131.7 million), such as pavement replacement and shoulder widening.
13. **CONSTRUCTION LOCAL - CAPITAL IMPROVEMENTS.** The revised estimate includes a decrease of \$3.9 million in CI local projects. The decrease is attributable to decreased federal aid projects (\$20.5 million), which is partially offset by an increase for the City Connecting Link Program (\$14.2 million).
14. **BUILDINGS - CAPITAL IMPROVEMENTS.** The revised estimate includes an increase of \$23.9 million, all from the State Highway Fund, in CI expenditures for buildings in FY 2024. The increase is primarily due to construction of a new District One Headquarters in East Topeka, with a total construction cost of \$24.2 million.
15. **HIGHWAY BONDS ISSUANCE COSTS.** The revised estimate includes an increase of \$900,000, all from the Highway Bond Debt Service Fund, for administrative costs associated with issuing \$200.0 million in new highway bonds for the IKE Transportation Plan and refunding previous bonds in FY 2024. These administrative costs include fees for bond counsel, ratings agencies, and escrow agents. Debt service interest payments on new bonds will begin in FY 2025.
16. **ALL OTHER ADJUSTMENTS.** Other adjustments include increased expenditures for marketing and aid to locals concerning traffic safety efforts, installation of defibrillators at KDOT offices, driver's education scholarships, and construction of a network of Continuous Operating Reference Stations to facilitate highway surveying. The increase is offset by decreased expenditures for commodities, such as highway and bridge construction material and other road surface consumables, such as rock salt.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate and recommends \$2.2 billion, including \$1.8 billion from the State Highway Fund, in expenditures and 2,288.8 FTE positions in FY 2024.

17. **NO CHANGE.** The Governor does not recommend any changes to the agency's revised estimate in FY 2024.

FY 2024 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$2.2 billion, including \$1.8 billion from the State Highway Fund, in FY 2024. This is an all funds decrease of \$612.9 million, or 21.5 percent, including a State Highway Fund decrease of \$532.7 million, or 22.6 percent, below the FY 2023 actual budget. Significant highway projects were let in FY 2023, as part of the third year of the IKE Transportation Plan. Decreased expenditures in FY 2024 include decreased capital improvements expenditures for the letting of highway construction projects (\$381.9 million) and debt service on highway bonds (\$135.9 million). Other decreased expenditures include contractual engineering services and capital outlay, primarily related to the additional purchase of heavy equipment in FY 2023.

The decrease is offset by increased expenditures for salaries and wages (\$26.6 million) that include a statewide market survey adjustment (\$7.1 million) approved by the 2023 Legislature for FY 2024, increased employer contributions for fringe benefits, and funding for new and previously vacant positions. The decrease is further offset by increased aid and assistance to local entities, primarily for rail service improvement and innovative technologies.

The revised estimate includes 2,288.8 FTE positions, which is an increase of 5.5 FTE positions above the FY 2023 actual number. The position increase is mainly for traffic safety positions in the Transportation and Modal Support program and public communications positions in the Administration program, offset by decreases mainly in the Maintenance and Construction programs.

FY 2025 ANALYSIS

FIGURE 8

SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	All Funds	FTE
Agency Request:			
Request without Major Changes	\$	- \$ 2,243,888,144	2,288.8
1. Salaries and Wages	\$	(593,342)	--
2. Heavy Equipment	-	1,569,336	--
3. Engineering Contractual Services	-	(1,009,502)	--
4. Information Systems Consulting Services	-	(1,089,000)	--
5. Rail Service Improvement Fund	-	(28,429,666)	--
6. Innovative Technologies Grants	-	(11,939,035)	--
7. Kansas Airport Improvement Program	-	(885,615)	--
8. Public Transit	-	(5,572,441)	--
9. Special City and County Highway Fund	-	(1,726,614)	--
10. Construction Expansion - CI	-	139,339,649	--
11. Construction Modernization - CI	-	16,619,292	--
12. Construction Local - CI	-	(13,174,005)	--
13. Construction Preservation - CI	-	(5,000,213)	--
14. Buildings - CI	-	(35,845,191)	--
15. Highway Bonds Debt Service	-	2,465,943	--
<i>Subtotal—Agency Request</i>	\$	- \$ 2,298,617,740	2,288.8
Governor's Recommendation:			
16. Shift Differential and Standby Pay	\$	- \$ 315,245	--
17. Tool and PPE Allowance	-	73,000	--
18. State Highway Fund Transfer	-	-	--
TOTAL	\$	- \$ 2,299,005,985	2,288.8

*Capital Improvements (CI)

AGENCY REQUEST

The **agency** requests \$2.3 billion, including \$1.9 billion from the State Highway Fund, in expenditures for FY 2025. This is an all funds increase of \$54.9 million, or 2.4 percent, including a State Highway Fund increase of \$99.0 million, or 5.4 percent, above the FY 2024 revised estimate. The request includes 2,288.8 FTE positions, which is unchanged from the FY 2024 revised number.

Significant adjustments are as follows:

- SALARIES AND WAGES.** The request includes a decrease of \$593,342, all from the State Highway Fund, for salaries and wages expenditures for FY 2025. The decrease is primarily attributable to lower employer contributions for the Kansas Public Employees Retirement System (KPERs) and partially offset by increased contributions for group health insurance.
- HEAVY EQUIPMENT.** The request includes an increase of \$1.6 million for replacement of heavy equipment, primarily dump trucks for highway maintenance, for FY 2025. The agency notes this increase would restore reductions for heavy equipment implemented in FY 2024 and resume the regular schedule of equipment replacement.
- ENGINEERING CONTRACTUAL SERVICES.** The request includes a decrease of \$1.0 million in contractual engineering services for projects under the IKE Transportation Plan for FY 2025. The decrease is attributable to decreased services in the

Administration and Construction programs, partially offset by increased services in the Transportation Planning and Modal Support Program.

4. **INFORMATION SYSTEMS CONSULTING.** The request includes a decrease of \$1.1 million for information systems consulting for FY 2025. The decrease is attributable to data collection projects that occur in FY 2024 but do not reoccur for FY 2025.
5. **RAIL SERVICE IMPROVEMENT FUND.** The request includes a decrease of \$28.4 million, all from the Rail Service Improvement Fund, for grants and assistance to qualified entities for FY 2025. The decrease is primarily due to receipt of a Federal Railroad Administration grant in FY 2024 that is not available for FY 2025. This adjustment leaves a total of \$12.0 million in expenditures from the fund for FY 2025 to support track maintenance or rehabilitation of railroads and rolling stock.
6. **INNOVATIVE TECHNOLOGIES GRANTS.** The request includes a decrease of \$11.9 million, which includes \$6.5 million from the Transportation Technology Development Fund and \$5.4 million from the Broadband Infrastructure Construction Grant Fund, for FY 2025. The decrease is primarily due to carryover funding available in FY 2024 but not anticipated for FY 2025. This adjustment leaves a total of \$2.0 million in expenditures from the Transportation Technology Development Fund for grants supporting the development of technologies that increase efficiency and safety for FY 2025. This adjustment also leaves a total of \$10.0 million in expenditures from the Broadband Infrastructure Construction Fund for grants supporting broadband expansion for FY 2025.
7. **KANSAS AIRPORT IMPROVEMENT PROGRAM.** The request includes a decrease of \$885,615, all from the Public Use General Aviation Airport Development Fund, for grants to local airports for FY 2025. The decrease is due to carryover funding available in FY 2024 but not anticipated for FY 2025. This adjustment leaves a total of \$10.0 million for grants to local airports for FY 2025.
8. **PUBLIC TRANSIT.** The revised request includes a decrease of \$5.6 million in aid and assistance for the transport of persons with disabilities, older adults, and the general public, which includes bus services, for FY 2025. The agency indicates the decrease is primarily due to decreased capital assistance to local organizations for the purchase of public transit vehicles, which can vary significantly from year-to-year based on prior year purchases.
9. **SPECIAL CITY AND COUNTY HIGHWAY FUND.** The request includes a decrease of \$1.7 million, all from the Special City and County Highway Fund, for formula aid to local governments for street and road improvements for FY 2025. The decrease is due to a transfer of \$4.2 million SGF to supplement the fund in FY 2024, which is not available for FY 2025. This one-time transfer of SGF in FY 2024, as approved by the 2023 Legislature, was implemented to offset decreased motor fuel tax revenue estimates.
10. **CONSTRUCTION EXPANSION - CAPITAL IMPROVEMENTS.** The request includes an increase of \$139.3 million in CI expansion projects on the State Highway System. The increase is primarily attributable to increased capacity improvement projects (\$124.4 million), such as the Polk-Quincy Viaduct in Topeka and U.S. 54 highway. The increase is also due to increased Economic Development and Cost Share Program projects.
11. **CONSTRUCTION MODERNIZATION - CAPITAL IMPROVEMENTS.** The request includes an increase of \$16.6 million in CI modernization projects that bring roads on the State Highway System up to current safety standards. The increase is primarily

attributable to increased roadway improvements (\$43.8 million), partially offset by decreased integration of emerging roadway technologies (\$31.7 million), such as Connected Vehicles Infrastructure.

12. **CONSTRUCTION LOCAL - CAPITAL IMPROVEMENTS.** The request includes a decrease of \$13.2 million in CI local projects. The decrease is attributable to decreased federal aid projects (\$23.8 million), which is partially offset by an increase for the Local Bridge Transfer Program (\$10.0 million).
13. **CONSTRUCTION PRESERVATION - CAPITAL IMPROVEMENTS.** The request includes a decrease of \$5.0 million in CI preservation projects to maintain roads and bridges on the State Highway System in as-built condition. The decrease is primarily attributable to decreased non-interstate resurfacing (\$74.2 million), roadway improvements (\$10.0 million), and highway sign replacement (\$6.4 million), which is partially offset by increased bridge replacements (\$92.6 million).
14. **BUILDINGS - CAPITAL IMPROVEMENTS.** The request includes a decrease of \$35.8 million, all from the State Highway Fund, in CI expenditures for buildings for FY 2025. The decrease is primarily attributable to expenditures for construction of a District One Headquarters in Topeka and subarea modernization efforts that occur in FY 2024 but do not reoccur for FY 2025.
15. **HIGHWAY BONDS DEBT SERVICE.** The request includes an increase of \$2.5 million, all from the Highway Bond Debt Service Fund, for FY 2025 to finance debt service on highway bonds supporting highway construction projects. The increase is attributable to increased principal payments on existing bonds. This adjustment provides a total of \$170.8 million in debt service expenditures for FY 2025, which includes an estimated \$4.0 million in initial interest payments on \$200.0 million in new bonds issued in FY 2024 for the IKE Transportation Plan. Debt principal payments on these new bonds is estimated to begin in FY 2026.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$2.3 billion, including \$1.9 billion from the State Highway Fund, in expenditures for FY 2025. This is an increase of \$388,245, all from the State Highway Fund, above the FY 2025 requested amount. The recommendation includes 2,288.8 FTE positions, which is unchanged from the requested number.

The **Governor's** recommendation includes the following adjustments:

16. **SHIFT DIFFERENTIALS AND STANDBY PAY.** The recommendation includes an increase of \$315,245, all from the State Highway Fund, for increased differential and standby pay for certain employees in the Maintenance program, including those responsible for snow and ice removal on state highways, for FY 2025.
17. **TOOL AND PPE ALLOWANCE.** The recommendation includes an increase of \$73,000, all from the State Highway Fund, to increase the tool and PPE allowances for employees in the Maintenance program for FY 2025.
18. **STATE HIGHWAY FUND TRANSFER.** The Governor recommends a transfer of \$361,266 from the Mental Health Grants Fund at KDADS to the State Highway Fund for FY 2025. This transfer returns the unspent balance from an FY 2022 State Highway Fund transfer to KDADS for mental health grants, which was replaced with SGF moneys.

TRANSFERS FROM THE STATE HIGHWAY FUND

The table below shows transfers from the State Highway Fund to other states agencies, as directed in the annual appropriations bills. These transfers are traditionally categorized as either ordinary or extraordinary. Ordinary transfers generally have some relationship to transportation projects at other agencies or have occurred for a number of years. Extraordinary transfers ended after FY 2022.

State Highway Fund Transfers				
Receiving Agency	Actual FY 2022	Actual FY 2023	Governor FY 2024	Governor FY 2025
EXTRAORDINARY TRANSFERS				
Transfers to the SGF	\$ 66,850,000	\$ -	\$ -	\$ -
Department for Aging and Disability Services Mental Health Grants Fund	9,750,000	-	-	-
Adjutant General's Department Office of Emergency Communications	320,000	-	-	-
Department of Administration - Statehouse Debt	20,374,158	-	-	-
ORDINARY TRANSFERS				
Department of Administration - Overhead	210,000	210,000	210,000	210,000
Kansas Highway Patrol Operations, Capital Projects, and Aircraft Fund	78,831,975	67,427,799	92,589,463	71,794,611
Department of Agriculture Water Structures Fund	128,379	128,379	128,379	128,379
Department of Education School Bus Safety Fund	295,000	295,000	325,000	325,000
Department of Wildlife and Parks - Roads and Bridges	3,602,545	3,605,545	3,600,000	3,600,000
Department of Revenue Division of Vehicles Operating Fund	48,800,528	49,752,026	52,481,795	53,231,784
TOTAL	\$ 229,162,585	\$ 121,418,749	\$ 149,334,637	\$ 129,289,774

FEDERAL BIPARTISAN INFRASTRUCTURE LAW

The federal Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law (BIL), was enacted on November 15, 2021. The agency estimates that the State of Kansas will receive \$3.8 billion in formula funds over a period of five years. Total formula funding from BIL over this five-year period includes the following:

- \$2.6 billion for highways;
- \$225.0 million for bridge replacement and repair;
- \$272.0 million for public transit;
- \$109.0 million for airports;
- \$40.0 million for transportation electrification;
- \$100.0 million for broadband;
- \$424.0 million for water infrastructure;
- \$25.0 million for infrastructure improvement resilient to weather events; and
- \$14.0 million for cybersecurity.

Of this \$3.8 billion, the agency estimates receiving \$750.0 million in formula funding above previous federal allocations over a period of five years. This equates to \$150.0 million annually, which the agency anticipates expending for highways (\$90.0 million), bridges (\$45.0 million), transportation electrification (\$8.0 million), rural transit (\$3.7 million), and carbon reduction (\$4.3 million). This excludes any non-formula funding the agency may receive through competitive grants.

MAJOR ISSUES FROM THE PRIOR SESSION

The **2023 Legislature** took the following actions on the agency's budget:

- The Legislature added \$7.1 million, all from the State Highway Fund, for a salary adjustment based on the Department of Administration Market Survey in FY 2024.
- The Legislature added \$5.0 million, all from the Rail Service Improvement Fund, to align with provisions of 2023 HB 2335 that increase the annual transfer from the State Highway Fund to the Rail Service Improvement Fund and added short line railroads to the definition of qualified entities eligible for assistance from the fund in FY 2024. The adjustment continues funding previously provided through the Short Line Rail Improvement Fund, which sunsets at the end of FY 2023.
- The Legislature transferred \$4.2 million SGF to the Special City and County Highway Fund to supplement formula aid to local governments in FY 2024. This one-time transfer is contingent upon motor fuel tax revenue to the Special City and County Highway Fund falling short of \$156.4 million.
- The Legislature added \$108,000, all from the State Highway Fund, and 2.0 FTE positions to the Aviation Division to implement provisions of 2023 SB 49 relating to the installation of light-mitigating technology on wind turbines in FY 2024. These positions process vendor notices concerning installation and address inquiries from local governments.
- The Legislature added language authorizing the agency to continue a driver's education scholarship grant program for FY 2024 and FY 2025. The agency must submit a report to certain legislative committees by January 8, 2024, and January 13, 2025.

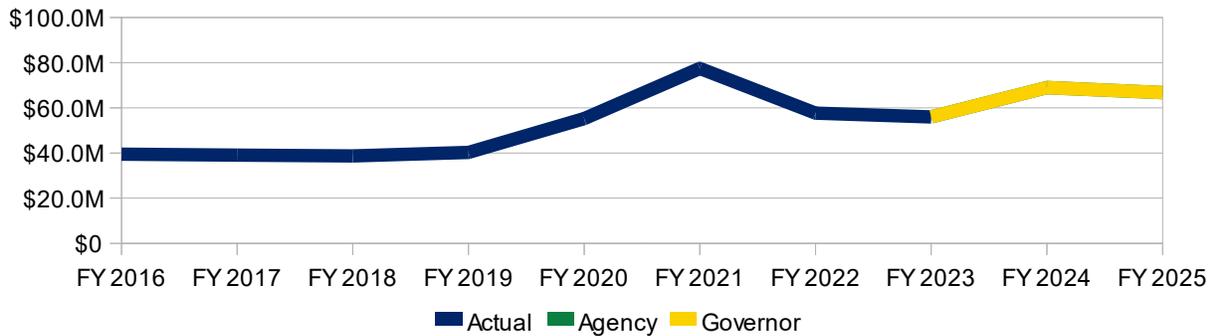
PROGRAM OVERVIEW

FIGURE 9
EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2023 – FY 2025

Programs	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:					
Administration	\$ 55,975,435	\$ 68,940,791	\$ 68,940,791	\$ 66,723,262	\$ 66,723,262
Transportation Planning and Modal Support	121,659,445	180,048,806	180,048,806	134,515,230	134,515,230
Local Support	177,498,586	185,639,772	185,639,772	183,904,118	183,904,118
Kansas Infrastructure Hub	3,000,000	-	-	-	-
Maintenance	172,379,114	173,672,228	173,672,228	175,122,442	175,510,687
Construction	2,326,106,554	1,635,379,966	1,635,379,966	1,738,352,688	1,738,352,688
TOTAL	\$ 2,856,619,134	\$ 2,243,681,563	\$ 2,243,681,563	\$ 2,298,617,740	\$ 2,299,005,985
FTE Positions:					
Administration	418.8	423.3	423.3	423.3	423.3
Transportation Planning and Modal Support	108.5	125.5	125.5	125.5	125.5
Local Support	23.0	21.0	21.0	21.0	21.0
Maintenance	1,110.0	1,102.0	1,102.0	1,102.0	1,102.0
Construction	623.0	617.0	617.0	617.0	617.0
TOTAL	2,283.3	2,288.8	2,288.8	2,288.8	2,288.8

ADMINISTRATION

FIGURE 10
ADMINISTRATION EXPENDITURES, FY 2016 – FY 2025



STATUTORY BASIS: • KSA 75-5006, KSA 75-3717, KSA 68-2303 *et seq.*, KSA 68-2320 *et seq.*, KSA 75-3739, KSA 68-2315, KSA 75-6401-75-6407, KSA 75-3734, Title 23 Code of Federal Regulations; 23 USC 112

PROGRAM GOALS: • Provide the direction, planning, coordination, communication, and administrative support that foster an integrated, multimodal transportation system to meet the needs of Kansas.

The goal of the Administration program is to provide the direction, planning, coordination, communication, and administrative support that foster an integrated, multimodal transportation system to meet the needs of Kansas. KDOT maintains a central office, with the state divided into six districts.

This program provides financial and human resources management, procurement services, and information technology support. The program also coordinates public outreach through media, legislative, and intergovernmental relations. To achieve these goals, this program is composed of the following three subprograms: Administration, Office of the Secretary, and Operations Support.

FIGURE 11
ADMINISTRATION FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
State Highway Fund	55,070,730	68,940,791	68,940,791	66,723,262	66,723,262
Federal Funds	904,705	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 55,975,435	\$ 68,940,791	\$ 68,940,791	\$ 66,723,262	\$ 66,723,262
Percent Change:					
SGF	-- %	-- %	-- %	-- %	-- %
All Funds	(2.9) %	23.2 %	-- %	(3.2) %	-- %
FTE Positions	418.8	423.3	423.3	423.3	423.3

BUDGET ANALYSIS

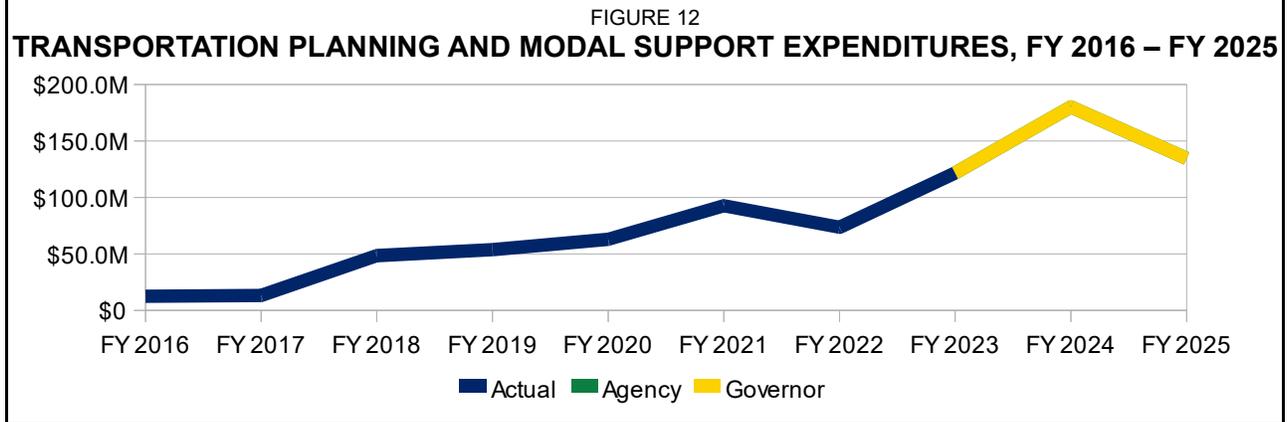
FY 2025

The **agency** requests \$66.7 million, all from the State Highway Fund, for the Administration program for FY 2025. This is a decrease of \$2.2 million, or 3.2 percent, below the FY 2024 revised estimate. The decrease is primarily attributable to decreased expenditures for engineering contractual services (\$2.0 million). The decrease is also attributable to decreased information systems consulting (\$1.1 million)

due to expenditures for State Highway Safety Plan updates and traffic and vehicles data collection not reoccurring for FY 2025.

The **Governor** concurs with the agency's request for the Administration program for FY 2025.

TRANSPORTATION PLANNING AND MODAL SUPPORT



STATUTORY BASIS: • Federal Highway Safety Act of 1966, 23 USC Chapter 4, KSA 75-5009, KSA 75-5032 through 75-5048, KSA 68-2314b, 49 USC 5311(f), KSA 68-5010, KSA 75-5011, and KSA 75-5061

PROGRAM GOALS: • Provide planning, coordination, and assistance to ensure a safe, efficient, and reliable multimodal transportation network on and off the State Highway System.

The goal of the Transportation Planning and Modal Support program is to provide planning, coordination, and assistance to ensure a safe, efficient, and reliable multimodal transportation network on and off the State Highway System. The Transportation Planning and Modal Support program handles planning and management of the agency's transportation program efforts, such as the Eisenhower Legacy Transportation Program (IKE). The program provides for capital and operating assistance for public transportation involving older adults and people with disabilities,

preservation or improvement of rail service through loans or grants, improvement of public-use aviation facilities, and highway safety activities designed to reduce traffic accidents and fatalities through modification of driver behavior. The program also provides assistance to local partners for innovative technologies and broadband expansion. To achieve these goals, the management program is composed of the following six subprograms: Traffic Safety, Transit, Transportation Planning, Aviation, Rail and Freight, and Innovative Technologies.

FIGURE 13

TRANSPORTATION PLANNING AND MODAL SUPPORT FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
State Highway Fund	82,111,018	90,213,139	90,213,139	86,102,215	86,102,215
Federal Funds	277,251	-	-	-	-
All Other Funds	39,271,176	89,835,667	89,835,667	48,413,015	48,413,015
TOTAL	\$ 121,659,445	\$ 180,048,806	\$ 180,048,806	\$ 134,515,230	\$ 134,515,230
Percent Change:					
SGF	-- %	-- %	-- %	-- %	-- %
All Funds	65.4 %	48.0 %	-- %	(25.3) %	-- %
FTE Positions	108.5	125.5	125.5	125.5	125.5

BUDGET ANALYSIS

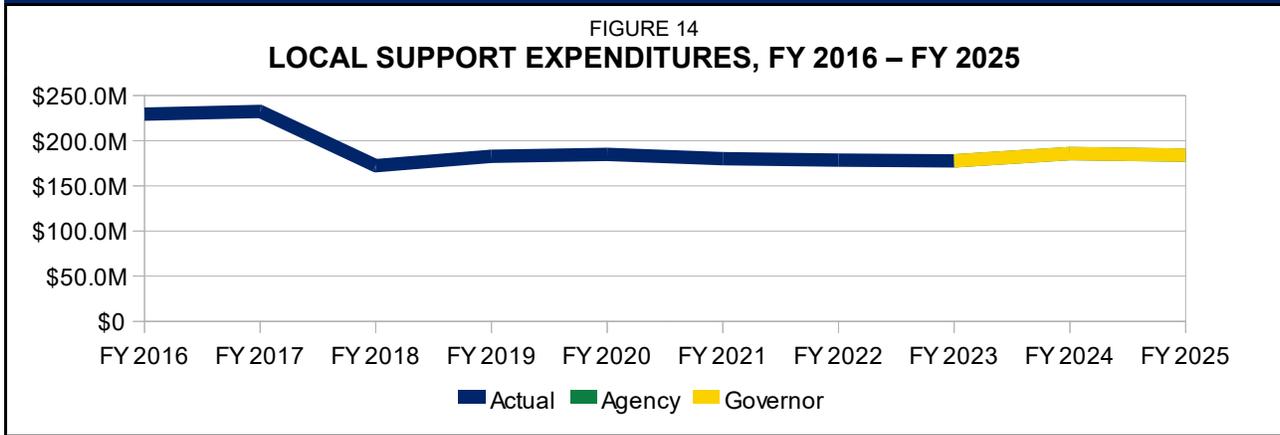
FY 2025

The **agency** requests \$134.5 million, including \$86.1 million from the State Highway Fund, for the Transportation Planning and Modal Support program for FY 2025. This is an all funds decrease of \$45.5 million, or 25.3 percent, including a State Highway Fund decrease of \$4.1 million, or 4.6 percent, below the FY 2024 revised estimate. The decrease is primarily attributable to a decrease of \$28.4 million, all from the Rail Service Improvement Fund, for grants and assistance supporting track maintenance due to a reduction in Federal Railroad Administration grant funding. The decrease is also attributable to a decrease of

\$11.9 million, which includes \$6.5 million from the Transportation Technology Development Fund and \$5.4 million from the Broadband Infrastructure Construction Grant Fund, for grants supporting innovative technologies and broadband expansion. Further, the decrease includes a decrease of \$5.6 million in assistance to public transit entities. The decrease is offset by an increase of \$2.2 million for engineering contractual services.

The **Governor** concurs with the agency's request for the Transportation Planning and Modal Support program for FY 2025.

LOCAL SUPPORT



STATUTORY BASIS: • KSA 79-3425, KSA 79-3425c, KSA 68-2301 *et seq.*, KSA 68-169, KSA 68-412, KSA 68-2301 *et seq.*, Title 23 Code of Federal Regulations

PROGRAM GOALS: • Assist in providing safe, efficient, and reliable local transportation systems.

The goal of the Local Support program is to assist in providing safe, efficient, and reliable local transportation systems. This program provides planning and financial assistance to local governments, and it administers both state and federal funding for city and county roads, streets, and bridge improvements. The Local Support program includes aid to local units of government through the Special City and County Highway Fund and a Federal Funds Exchange process. The Special City and County Highway Fund receives funding from motor fuel taxes and motor carrier property taxes. The funds are distributed quarterly, with 57.0 percent distributed to counties and 43.0

percent distributed to cities. Each county receives a base allocation of \$5,000, with the remainder distributed on a formula based on motor vehicle registration fees, average daily vehicle miles traveled, and total road miles within each county. The city distribution is based on population. The Federal Funds Exchange process allows local public agencies to voluntarily exchange federal fund allocations for state funds to support local transportation projects. To achieve these goals, the Local Support program is composed of the two following subprograms: Special City and County Aid, and Local Projects.

FIGURE 15
LOCAL SUPPORT FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
State Highway Fund	21,762,473	26,725,920	26,725,920	26,716,880	26,716,880
Special City and County Highway Fund	153,236,113	156,413,852	156,413,852	154,687,238	154,687,238
Federal Funds	-	-	-	-	-
All Other Funds	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
TOTAL	\$ 177,498,586	\$ 185,639,772	\$ 185,639,772	\$ 183,904,118	\$ 183,904,118
Percent Change:					
SGF	-- %	-- %	-- %	-- %	-- %
All Funds	(0.6) %	4.6 %	-- %	(0.9) %	-- %
FTE Positions	23.0	21.0	21.0	21.0	21.0

BUDGET ANALYSIS

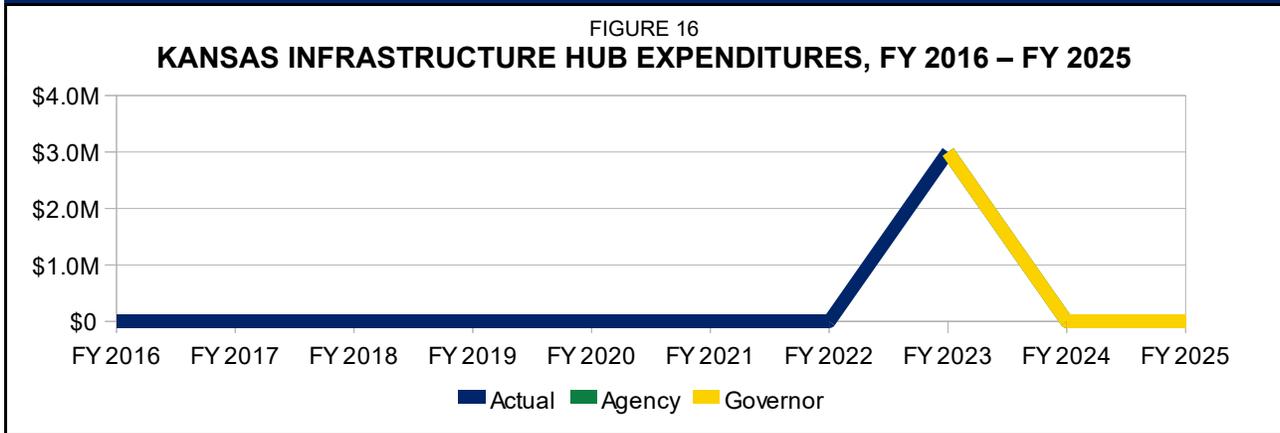
FY 2025

The **agency** requests \$183.9 million, including \$26.7 million from the State Highway Fund, for the Local Support program for FY 2025. This is an all funds decrease of \$1.7 million, or 0.9 percent, including a State Highway Fund decrease of \$9,040, or less than 0.1 percent, below the FY 2024 revised estimate. The decrease is primarily attributable to a decrease of \$1.7 million, all from the Special City and County Highway Fund, for formula aid to local governments for street and road improvements. This decrease is due to a

transfer of \$4.2 million SGF to the fund in FY 2024 that does not reoccur in FY 2025. The one-time transfer of SGF in FY 2024 was approved by the 2023 Legislature and was implemented to offset decreased motor fuel tax revenue estimates. The State Highway Fund decrease is attributable to decreased employer contributions for KPERS.

The **Governor** concurs with the agency's request for the Local Support program for FY 2025.

KANSAS INFRASTRUCTURE HUB



STATUTORY BASIS: • State Finance Council Resolution No. 22-751, 2023 HB 25

PROGRAM GOALS: • Leverage resources to multiply investment in Kansas communities.
• Assist communities with identifying needs, locating funding programs, writing grants, and administering federal moneys.

The Kansas Infrastructure Hub is a new program that provides technical assistance to local governments pursuing competitive grants through the federal BIL of 2021 for transportation, water infrastructure, energy resilience, broadband, and cybersecurity projects. While KDOT is the lead agency, other state agencies involved include the Department of Commerce, the Department of Health and Environment, the Kansas Department of Agriculture, and the Department of Administration, as well as the Kansas Corporation Commission and Kansas Water Office.

This program accounts for expenditures directly related to an allocation of \$3.0 million, all from federal American Rescue Plan Act funds, for technical assistance to local entities. These funds were approved by the State Finance Council in January 2023, as

recommended by the Strengthening People and Revitalizing Kansas Task Force.

Provisions of 2023 HB 25 established the Build Kansas Matching Grant Fund to continue the work of the Kansas Infrastructure Hub. A total of \$215.0 million SGF will be transferred to the fund, which is administered by the Office of the State Treasurer, to provide matching moneys to local entities pursuing federal BIL grants in FY 2024 to FY 2027. Of this amount, \$5.0 million is authorized annually for administrative costs, such as staff and consultant support, beginning in FY 2025. Expenditures from the fund are subject to approval by the Build Kansas Advisory Committee, which is composed of legislators. The KDOT budget does not reflect expenditures from the Build Kansas Matching Grant Fund, as this funding was appropriated to the Office of the State Treasurer.

FIGURE 17

KANSAS INFRASTRUCTURE HUB FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
State Highway Fund	-	-	-	-	-
Federal Funds	3,000,000	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -
Percent Change:					
SGF	-- %	-- %	-- %	-- %	-- %
All Funds	-- %	(100.0) %	-- %	-- %	-- %
FTE Positions	-	-	-	-	-

BUDGET ANALYSIS

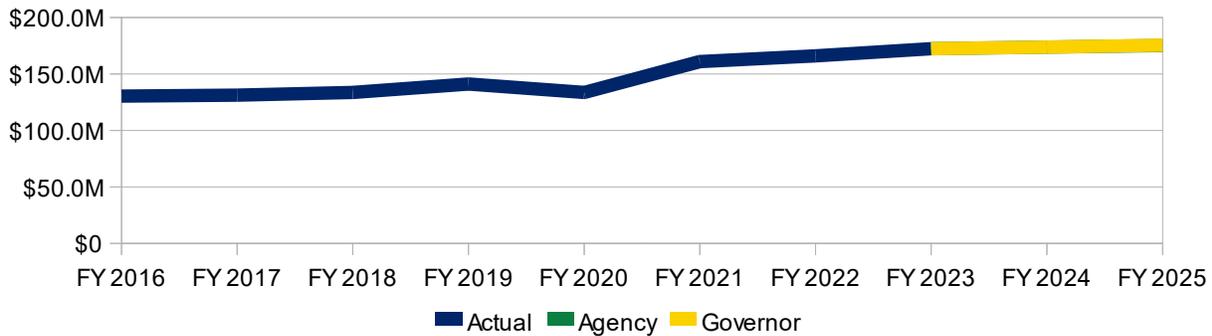
FY 2025

The **agency** submits no request for the Kansas Infrastructure Hub for FY 2025.

The **Governor** concurs with the agency's submission for the Kansas Infrastructure Hub for FY 2025.

MAINTENANCE

FIGURE 18
MAINTENANCE EXPENDITURES, FY 2016 – FY 2025



STATUTORY BASIS: • KSA 75-5001 *et seq.*, KSA 68-401 *et seq.*, KSA 75-5073 through 75-5076

- PROGRAM GOALS:**
- Preserve the State Highway System as built or in an improved condition by providing safe and reliable highway facilities.
 - Maintain an interoperable statewide 800 MHz radio system to allow local units of government and other potential users onto the system.

The goal of the Maintenance program is to maintain the State Highway System by providing safe and reliable highway facilities. The program contains all regular highway and bridge maintenance functions performed by the State. Regular maintenance activities are designed to preserve, repair, and restore the roadway system to its designed or accepted standards. System elements include travel-way surfaces, shoulders, roadsides, drainage facilities, bridges, signs, and markings. Also included are traffic services, such as lighting and signal operation, snow and ice removal, and operation of roadside rest areas.

Maintenance activities are undertaken to offset the effects of deterioration, damage, and vandalism. Deterioration includes the effects of aging, weather, material fatigue, and design and construction weaknesses. Activities also include repair of buildings and equipment essential to perform maintenance activities.

Funds also are provided to cities to assist in maintenance of routes designated as highway connecting links. Costs for maintenance of these links are apportioned between KDOT and the city as determined by agreement. KDOT reimburses cities and counties at the rate of \$5,000 per lane mile for links maintained. When cities enter into an agreement for the city connecting links to be maintained by the State, KDOT then becomes responsible for all maintenance on the connecting link.

Also included in this program are Communication System expenditures for the agency’s interoperable communications towers. The agency maintains the interoperable statewide 800 MHz radio system for use by the State, KDOT, and local public safety agencies. Agency leasing expenditures are included as nonreportable expenditures, while federal funds for the program are included as reportable expenditures.

FIGURE 19
MAINTENANCE FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
State Highway Fund	172,375,773	168,452,875	168,452,875	173,322,442	173,710,687
Federal Funds	-	-	-	-	-
All Other Funds	3,341	5,219,353	5,219,353	1,800,000	1,800,000
TOTAL	\$ 172,379,114	\$ 173,672,228	\$ 173,672,228	\$ 175,122,442	\$ 175,510,687
Percent Change:					
SGF	-- %	-- %	-- %	-- %	-- %
All Funds	3.8 %	0.8 %	-- %	0.8 %	0.2 %
FTE Positions	1,110.0	1,102.0	1,102.0	1,102.0	1,102.0

BUDGET ANALYSIS

FY 2025

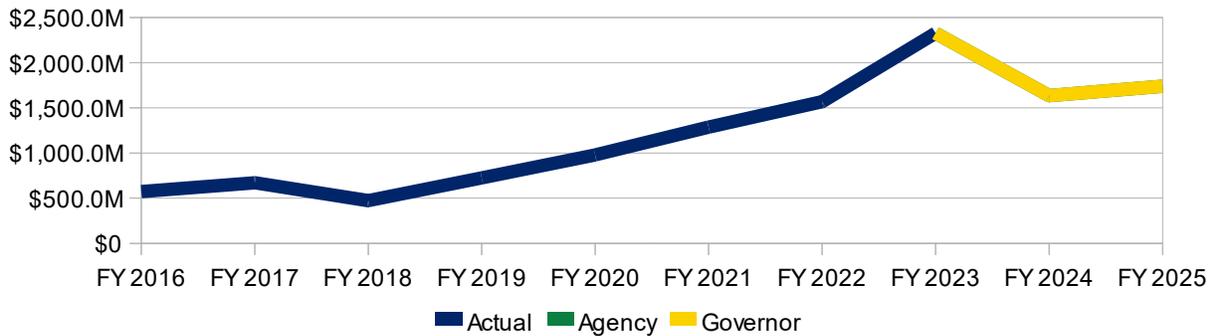
The **agency** requests \$175.1 million, including \$173.3 million from the State Highway Fund, for the Maintenance program for FY 2025. This is an all funds increase of \$1.5 million, or 0.8 percent, including a State Highway Fund increase of \$4.9 million, or 2.9 percent, above the FY 2024 revised estimate. The increase is primarily attributable to the replacement of heavy equipment (\$1.6 million), which the agency notes would restore reductions for this purpose in FY 2024. This reduction was due to the agency purchasing equipment in FY 2023 above the original estimate, which reduced the need in FY 2024. The agency indicates an equipment replacement plan is under examination to

determine methods for eliminating the replacement backlog. This increase is offset by decreased employer contributions for KPERS.

The **Governor** recommends \$175.5 million, including \$173.7 million from the State Highway Fund, for the Maintenance program for FY 2025. This is an increase of \$388,245, all from the State Highway Fund, or 0.2 percent, above the FY 2025 requested amount. The increase is due to the Governor recommending \$315,245 for increased differential and standby pay for certain employees responsible for snow and ice removal on state highways and \$73,000 to increase the tool and personal protective equipment (PPE) allowances for employees.

CONSTRUCTION

FIGURE 20
CONSTRUCTION EXPENDITURES, FY 2016 – FY 2025



STATUTORY BASIS: • *Kansas Constitution* Article XI, Title 23 Code of Federal Regulations, 49 USC 24, KSA 68-401, KSA 68-404, KSA 68-406, KSA 68-407, KSA 68-413 *et seq.*, KSA Chapter 26, KSA 75-5001 *et seq.*, KSA 75-5006 *et seq.*

PROGRAM GOALS: • Develop and construct projects that continue to provide a quality state highway network that effectively meets the needs of the traveling public.

The goal of the Construction program is to develop and construct projects that continue to provide a quality state highway network. The program includes functions and activities associated with constructing new highways and performing major renovations of existing state highways.

The program is divided into eight subprograms: Debt Service, Design/Right of Way, Construction Inspection, Expansion (State Projects), Modernization, Buildings, Local Construction, and Preservation. Program activities include right-of-way purchase, design, construction supervision, materials and geological testing, facilities construction and remodeling, and payment of principal and interest on construction financed through the issuance of bonds. In addition, federal aid to local governments is included in this program. Highway construction projects are classified as preservation, modernization, or expansion/enhancement.

PRESERVATION

Preservation functions are intended to protect public investment by preserving the as-built condition as long as possible and minimizing the need for major improvements. Preservation activities include resurfacing, bridge painting, bridge and culvert repair, major sign replacement, and safety improvements.

MODERNIZATION

This program encompasses activities that bring a roadway or intersection up to current design standards. This can be accomplished by widening or adding shoulders, flattening hills, or removing curves in a road.

EXPANSION

This program includes projects that are designed to improve safety, relieve congestion, improve access, and enhance economic development. The categories are corridor improvements, bypass construction, and interchange and separation improvements. Projects must be on the State Highway System or a logical addition to the State Highway System.

FIGURE 21
CONSTRUCTION FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
State Highway Fund	2,021,915,399	1,466,194,856	1,466,194,856	1,566,701,635	1,566,701,635
Federal Funds	-	-	-	-	-
All Other Funds	304,191,155	169,185,110	169,185,110	171,651,053	171,651,053
TOTAL	\$ 2,326,106,554	\$ 1,635,379,966	\$ 1,635,379,966	\$ 1,738,352,688	\$ 1,738,352,688
Percent Change:					
SGF	-- %	-- %	-- %	-- %	-- %
All Funds	48.3 %	(29.7) %	-- %	6.3 %	-- %
FTE Positions	623.0	617.0	617.0	617.0	617.0

BUDGET ANALYSIS

FY 2025

The **agency** requests \$1.7 billion, including \$1.6 billion from the State Highway Fund, for the Construction program for FY 2025. This is an all funds increase of \$103.0 million, or 6.3 percent, including a State Highway Fund increase of \$100.5 million, or 6.9 percent, above the FY 2024 revised estimate. The increase is attributable to increased capital improvement expenditures for the letting of highway expansion projects (\$139.3 million), such as the Polk-Quincy Viaduct in Topeka and U.S. 54 highway. The increase is offset by a decrease of \$35.8 million in capital improvements for buildings, which is primarily due to expenditures for construction of the District One Headquarters in Topeka that occur in FY 2024 but do not reoccur for FY 2025. The

increase is further offset by a decrease of \$1.3 million for engineering contractual services.

The **Governor** concurs with the agency's requested amount in expenditures for the Construction program for FY 2025. However, the recommendation includes a transfer of \$361,266 from the Mental Health Grants Fund at the Kansas Department for Aging and Disability Services (KDADS) to the State Highway Fund for FY 2025. This transfer returns the unspent balance from a FY 2022 State Highway Fund transfer to KDADS for mental health grants.

DEBT SERVICE

FIGURE 22
DEBT SERVICE, GOVERNOR'S RECOMMENDATION, FY 2024 – FY 2025

	FY 2024			FY 2025		
	Principal	Interest	Total	Principal	Interest	Total
Highway Bonds	\$ 103,415,000	\$ 64,870,110	\$ 168,285,110	\$ 106,125,000	\$ 64,626,053	\$ 170,751,053
TOTAL	\$ 103,415,000	\$ 64,870,110	\$ 168,285,110	\$ 106,125,000	\$ 64,626,053	\$ 170,751,053
Financing:						
SGF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Highway Fund	-	-	-	-	-	-
Federal Funds	-	-	-	-	-	-
All Other Funds	103,415,000	64,870,110	168,285,110	106,125,000	64,626,053	170,751,053
TOTAL	103,415,000	\$ 64,870,110	\$ 168,285,110	\$ 106,125,000	\$ 64,626,053	\$ 170,751,053

Staff Note: Debt service for FY 2025 includes an estimated interest payment of \$4.0 million on \$200.0 million in bonds yet to be issued. Principal payment on these new bonds is estimated to begin in FY 2026.

This section details principal and interest costs relating to bond debt for KDOT. These expenditures are included as part of the Construction program. Excluding the pending issuance of \$200.0 million in new 20-year bonds in FY 2024, outstanding transportation

programs debt totaled \$2.0 billion, with \$1.5 billion in projected principal payments and \$456.7 million in interest payments.

The final payment of \$29.3 million is scheduled for FY 2038.

CAPITAL IMPROVEMENTS

The Kansas Department of Transportation (KDOT) maintains 983 buildings totaling 3.1 million square feet. Structures include 207 buildings housing KDOT and Kansas Highway Patrol personnel, offices, shops, and labs, and 776 support structures functioning as chemical, equipment, and materials storage facilities, as

well as wash buildings. In addition, there are 36 Safety Rest Area buildings maintained throughout the state. These expenditures are included as part of the Construction program; the following table is provided as a breakdown for additional detail on buildings expenditures.

FIGURE 23
CAPITAL IMPROVEMENTS, FY 2023 – FY 2025

	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Projects:					
Rehabilitation and Repair	\$ 4,005,348	\$ 5,947,395	\$ 5,947,395	\$ 5,200,000	\$ 5,200,000
Reroof Buildings	462,331	785,970	785,970	659,080	659,080
Subarea Modernization	2,425,988	14,489,342	14,489,342	4,560,115	4,560,115
Land Purchase	-	500,780	500,780	-	-
Chemical Storage Facilities	-	729,246	1,399,328	285,133	285,133
Area Shop Bay Extension and Electrical Update	-	1,739,328	729,246	1,843,688	1,843,688
District One Headquarters Construction - Topeka	199,618	24,201,146	24,201,146	-	-
District Two Annex Replacement	926	-	-	-	-
District Five Shop Expansion	1,676,580	-	-	-	-
Relocate Area / Construction Office - Concordia	27,112	-	-	-	-
Sharon Springs Equipment Storage Bay	540,842	-	-	-	-
TOTAL	\$ 9,338,745	\$ 48,393,207	\$ 48,053,207	\$ 12,548,016	\$ 12,548,016
Financing:					
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
State Highway Fund	9,338,745	48,393,207	48,393,207	12,548,016	12,548,016
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 9,338,745	\$ 48,393,207	\$ 48,393,207	\$ 12,548,016	\$ 12,548,016

FY 2024 CAPITAL IMPROVEMENTS

The **agency** submits a revised estimate of \$48.4 million, all from the State Highway Fund, in capital improvements for buildings in FY 2024. This is an increase of \$23.9 million above the FY 2024 approved amount. The increase is primarily attributable to construction of the District One Headquarters in Topeka.

REHABILITATION AND REPAIR. The agency requests \$5.9 million for rehabilitation and repair in FY 2024. Individual locations and repair specifics vary from year to year depending on wear and natural events. Any

improvement project or space alteration is based on a building and site condition analysis and an assessment of the impact on operating functions. Expenditures target repairs and equipment replacements for improved energy efficiency, emergency repairs, and other unanticipated utility-related occurrences at the building. In addition, this program includes repairs to the nonstructural improvements to the land (e.g. sidewalks and parking lots.)

REROOF BUILDINGS. The agency requests \$785,970 for reroofing projects at nine

locations. The agency states determination to reroof is based on the following factors: 1) age of roof, 2) current roof condition, 3) storm damage, 4) previous maintenance, 5) economics of repair versus replacement, and 6) the effects of leaks on building contents.

Reroofing locations in FY 2024 include:

- Abilene Salt Storage, Anthony Dome, Atwood Dome, Hill City Dome, Iola Cone, Junction City Office, Montgomery County Safety Rest Area, Speaker Road Chemical Storage, and Syracuse Dome.

SUBAREA MODERNIZATIONS. The agency requests \$14.5 million for subarea modernization at four locations. The agency states that subarea facilities were constructed in the 1950s and 1960s and these facilities are insufficient to accommodate modern equipment, such as dump trucks outfitted with snowplows and salt spreaders.

Subarea modernization locations in FY 2024 include:

- Altoona, Atchison, Osage City, and Yates Center.

LAND PURCHASE. The agency requests \$500,780 for the purchase of land in FY 2024. These land purchases support or improve KDOT operations and include requests for land along the highway to provide an area to mix and store maintenance materials, land adjacent to a current KDOT facility to allow expansion of storage and operations, or land to relocate a KDOT facility for safety and effectiveness.

Land purchase locations in FY 2024 include:

- Erie, Lyons, and Topeka.

CHEMICAL STORAGE FACILITIES. The agency requests \$729,246 for the construction of 1,000-ton salt storage facilities at the Gage Subarea in Topeka and in Pratt in FY 2024. The agency states these facilities are constructed where existing storage is inadequate.

AREA SHOP BAY EXTENSION AND ELECTRICAL UPDATE. The agency requests \$1.7 million to extend bays and update electrical systems at area shops. Shop bays are

currently 40 feet deep, which is insufficient to house certain equipment and creates safety concerns when working on large equipment. This project extends bays by 30 feet and adds an overhead exit door affording drive-through access. A 3-ton overhead rail crane will be installed to provide lift capabilities.

The project will also consolidate electrical systems from different portions of the shop building and update main service panels to 800-amp 3-phase 208-volt service. This would replace service panels that do not meet current code requirements.

Updates in FY 2024 are scheduled for the Syracuse shop.

DISTRICT ONE HEADQUARTERS CONSTRUCTION IN TOPEKA. The agency requests \$24.2 million to construct a new District One Headquarters in Topeka in FY 2024. Project completion is estimated for the Summer of 2025.

The District One Headquarters is responsible for administering the construction, maintenance, and materials supporting state highways among 17 counties in northeast Kansas, which includes the Kansas City and Topeka metropolitan areas. The current complex, located at 121 Southwest 21st St. in Topeka, was constructed in 1934. The agency indicates the current facility is inadequate to store modern vehicles and requires transport of heavy equipment through a congested urban core.

Construction in FY 2024 includes a 32,000-square-foot maintenance shop and a 14,000-square-foot administration building on KDOT property at Southwest 21st Street and Rice Road, near the I-70 interchange in east Topeka. These projects were approved by the 2023 Legislature. Future plans include relocating the District One Materials Lab to this site in the out years.

The **Governor** concurs with the agency's revised estimate for capital improvements in FY 2024.

FY 2025 CAPITAL IMPROVEMENTS

The **agency** requests \$12.5 million, all from the State Highway Fund, in capital improvement for buildings for FY 2025. This is a decrease of \$35.8 million below the FY 2024 revised estimate. The decrease is primarily attributable to expenditures for the District One Headquarters in Topeka and subarea modernization efforts that occur in FY 2024 but do not reoccur for FY 2025.

REHABILITATION AND REPAIR. The agency requests \$5.2 million for rehabilitation and repair for FY 2025. Individual locations and repair specifics vary from year to year depending on wear and natural events. Any improvement project or space alteration is based on a building and site condition analysis and an assessment of the impact on operating functions. Expenditures target repairs and equipment replacements for improved energy efficiency, emergency repairs, and other unanticipated utility-related occurrences at the building. In addition, this program includes repairs to the nonstructural improvements to the land (e.g. sidewalks and parking lots.)

REROOF BUILDINGS. The agency requests \$659,080 for reroofing projects at eight locations. The agency states determination to reroof is based on the following factors: 1) age of roof, 2) current roof condition, 3) storm damage, 4) previous maintenance, 5) economics of repair versus replacement, and 6) the effects of leaks on building contents.

Reroofing locations for FY 2025 include:

- Ashland Dome, Council Grove Wash Building, Hays Cone, McPherson Wash Building, Medicine Lodge Dome, Tribune Cone, Troy Subarea, and Seneca Chemical Storage.

SUBAREA MODERNIZATIONS. The agency requests \$4.6 million for subarea modernization at two locations. The agency states subarea facilities were constructed in the 1950s and 1960s and are insufficient to accommodate modern equipment, such as dump trucks outfitted with snowplows and salt spreaders.

Subarea modernization locations for FY 2025 include:

- Lincoln and Lyons.

CHEMICAL STORAGE FACILITIES. The agency requests \$285,133 for the construction of a 1,000-ton salt storage facility in Osage City. The agency states this facility will be constructed where existing storage is inadequate.

AREA SHOP BAY EXTENSION AND ELECTRICAL UPDATE. The agency requests \$1.8 million to extend bays and update electrical systems at area shops. Shop bays are currently 40 feet deep, which is insufficient to house certain equipment and creates safety concerns when working on large equipment. This project extends bays by 30 feet and adds an overhead exit door affording drive-through access. A 3-ton overhead rail crane will be installed to provide lift capabilities.

The project will also consolidate electrical systems from different portions of the shop building and update main service panels to 800-amp 3-phase 208-volt service. This would replace service panels that do not meet current code requirements.

Updates for FY 2025 are scheduled for the Dodge City shop.

The **Governor** concurs with the agency's request for capital improvements for FY 2025.