

Program Financing



PROGRAM FINANCING

FUNDING

The funding of highway improvements is based upon criteria established by state and federal law for the use of those funds. Generally, highway projects may be financed entirely by state funds, by a combination of federal and matching state funds, by a combination of federal and matching local funds, or by a combination of all three- federal, state, and local funds. More recently, in some cases, transportation related projects may be financed with a combination of state and private funding or local and private funding. An example of when this may occur is an Economic Development project where a private company benefits from an improvement or needs a highway, rail, or other transportation improvement to do business in the State. Along with state and/or local funding, the private company provides a portion of the funding needed for the improvement as well. Estimates for project cost in the FFY 2024-2027 STIP reflect an inflation and contingency rate of approximately 4.5 percent. KDOT's historical cost trends and future cost expectations were used to develop this rate. Cost trend information is based upon reasonable financial principles developed cooperatively by KDOT, the Metropolitan Planning Organizations (MPOs), and

experts from the public and private sector. Additionally, project cost estimates are reviewed and revised at major milestones in a project's life cycle as well as during bi-annual reviews. However, with the recent surging inflation being experienced in the nation, KDOT is actively monitoring and adjusting estimates in a three- to six-month window prior to letting to respond to the current pricing levels in the market. KDOT is making every effort possible to have accurate estimates for letting projects but is finding the current period of escalating inflation difficult to predict.

A key federal requirement of the STIP is the demonstration of fiscal constraint. Fiscal constraint of only federal funds is demonstrated in the Federal Funds section of this narrative in the "Federal Fiscal Years 2024-2027 Estimated Apportionments & Obligations" tables. These tables provide a breakout by apportionment grouping of the federal apportionments and obligations anticipated in the next four federal fiscal years. The federal apportionments by year table presents the federal funds the State of Kansas reasonably expects to be available in the next four fiscal years. The obligations estimated table demonstrates the projects currently programmed and anticipated to obligate in some phase in the next four fiscal years- including projects anticipated to

obligate in the MPO areas. To stay within limitation on obligations imposed by Congress, KDOT strives to maintain obligations of not more than approximately 90 percent of apportionment.

In addition to the “Federal Fiscal Years (FFY) 2024-2027 Estimated Apportionments & Obligations” tables, a KDOT Cash-Flow Worksheet has been provided to demonstrate a broader picture of KDOT funding by itemizing all anticipated resources (state, federal and local) and all anticipated expenditures in the upcoming four years, not just the federal sources. Assuming funding and expenditures continue at levels estimated, the Cash-Flow Worksheet demonstrates that KDOT is funded through 2027.

The reporting period for the KDOT Cash-Flow Worksheet is based upon the state fiscal year (SFY), which is from July 1 through June 30, while the “Federal Fiscal Years 2024-2027 Estimated Apportionments & Obligations” tables are based upon the federal fiscal year, which is from October 1 through September 30. It is important to recognize this difference when comparing the information in this narrative. The federal funding estimated in the KDOT Cash-Flow Worksheet is the funding estimated based on the state fiscal year and is not the same as that reported in the “Federal Fiscal Years 2024-2027 Estimated Apportionments & Obligations” tables. In addition to

the difference in timing, other fundamental differences exist between the KDOT Cash-Flow and the “FFY 2024-2027 Estimated Apportionments & Obligations” tables. The KDOT Cash-Flow reports **all** sources of revenues (not just federal) and **all** expenditures (not just those associated with the Core program and associated with federal funding). The role of the Cash-Flow is to predict how all resources will flow into the agency over a period time and how all expenditures will flow out in the same period. Whereas the “FFY 2024-2027 Estimated Federal Apportionments & Obligations” tables are static tables that report the estimated apportionments that will be available to the State of Kansas as the State’s share of the federal transportation funding over the four-year period of the STIP. This estimated federal apportionment (or funding to be available to be used by KDOT over the 4 years of the STIP) is compared to the estimated federal obligations KDOT currently has in place at the time of reporting for the same four-year period. In comparison, the Cash-Flow has built-in forecasts allowing the Cash-Flow to predict the projects that will be in place in future years that are not currently built. The KDOT Cash-Flow provides a broad view of the financial status of KDOT. While the “FFY 2024-2027 Estimated Apportionments & Obligations” tables provide a detail of federal funding planned to be obligated versus the apportionment available at the time this document was prepared, they do not forecast expected future expenditure

(additional obligations), as does the Cash-Flow. Rather, obligations (expenditures) for projects created after the preparation of this document are added to the STIP through an amendment process. The two financial tools answer different questions, and, together, provide information about KDOT's fiscal constraint.

The Cash-Flow answers the following questions:

- 1) How much total revenue from all sources does KDOT expect to receive?
- 2) How much total expenditure is KDOT projecting- which is all expected expenditures, not just expenditure related to the federal-aid program of projects?
- 3) Is the KDOT revenue stream large enough to meet total expected expenditures?

While the "FFY 2024-2027 Estimated Apportionments & Obligations" tables answer the questions of how much available apportionment from FHWA KDOT anticipates and how is that apportionment obligated.

Specifically, the apportionment table answers the following questions:

- 1) In which federal fund categories does KDOT expect to receive apportionment?
- 2) How much apportionment is expected in each fund category in

each of the four years of the STIP?

- 3) How much total apportionment does KDOT anticipate in each of the four years of the STIP and as a whole?

The obligation table answers:

- 1) In what federal fund categories does KDOT currently have projects programmed?
- 2) How much obligation versus available apportionment does KDOT have in place at the time the STIP was prepared?
- 3) Most importantly, is the amount of anticipated federal obligation less than or equal to the estimated federal apportionment available (including carry-over apportionment) in each federal fund category, and as a whole?

To further illustrate financial constraint, all Core program projects programmed and administered by KDOT that are anticipated to have one or more work phase(s) obligated, regardless of funding source (meaning not just federally funded projects), in the years of the STIP are listed in the Project Index, Appendix A. Provided in the Project Index list for each project is work phase estimates for work phases already obligated, estimates for work phase(s) anticipated to obligate in the years of the STIP, and the estimated total project cost (included in this total project cost may be the estimates for work phases that extend outside the

STIP years and are not shown in the current project information). Appendix B provides a summary by year of the information provided in Appendix A. The third appendix, Appendix C, lists projects using Advanced Construction, providing for each project the years and amounts of planned conversions along with the total anticipated conversion amount per project. Also provided is the total planned conversion amount by year, as well as the total estimated conversion amount (including conversions in years past the years of the STIP), in place at the time the STIP document was prepared. The information provided in these indexes along with the information in the finance section illustrates the fiscal constraint the State of Kansas has in place.

STATE FUNDS

The state highway program, the Eisenhower Legacy Transportation Program, referred to as IKE, was passed in the 2020 State legislative session and is a 10-year program in effect from July 1, 2020, the beginning of SFY 2021 through SFY 2030, which ends June 30, 2030. Revenue levels in IKE are maintained at the same level as the previous state highway transportation program, T-WORKS. Along with outlining the revenue levels, IKE provides guidelines for how the funding from the program is to be distributed. IKE is a \$9.9 billion program that is slated to invest a minimum of \$8 million in each of the state's 105 counties over the course of the 10-year program.

Preservation is a primary focus of the program and 100 percent of the highway system's preservation needs will be met. To achieve this goal, an estimated \$5.7 billion in funding will go towards the preservation of the existing highway system over the next ten years. Furthermore, funding was provided for projects that enhance and modernize the highway system with estimated funding at \$2.8 billion. The other Core program funded in the IKE is the local program which is funded through the Special City-County Highway (SCCH) fund. The SCCH (which receives a third of all motor fuel taxes) is estimated to receive approximately \$1.6 billion in the 10-year program.

In addition to these four Core program categories, there are other program categories within the KDOT organization structure. One such program category, the Local Support program, includes the transportation modes of aviation, rail, and transit, as well as smaller transportation related but not road specific subcategories (or groupings of similar projects). Four newly created programs have been crafted that fit into this latter transportation related but not road specific group and are the Transportation Technology Development Program (ITP), Short Line Rail (RSF) Program, the Broadband Infrastructure Program (BIP), and the Driver's Education Scholarship Fund (DESF) program. Of the programs managed under the Local Support program category, only the transit program is included in the STIP discussion since

transit is covered under U.S.C. Title 23 and therefore a requirement for inclusion in the STIP document. Transit information is provided at the program level as required by the Federal Transit Administration (FTA) and is in the Public Transit narrative of this document. In IKE, the four newly created programs, along with the transportation modes, combined will receive approximately \$332M in state funding. Transit funding is set at \$11 million per year for an estimated 10-year funding total of \$110 million. The aviation and rail modes will both continue to be funded at \$5 million per year for an estimated 10-year total of \$50 million each.

Short Line Rail program was funded at \$5 million for each of the first three years of IKE for a total of \$15 million in funding. To delineate Short Line Rail from Rail funding, a separate line was added to the Cash-Flow expenditure under the Transportation Planning & Modal Support section. Since this program was only funded for the first three years of IKE, there are no expenditures estimated past SFY 2023 in the Cash-Flow. However, if all funds are not expended in SFY 2023, the expenditure for the funding will move to later SFYs until expended. Second is the Broadband Infrastructure Fund that is an across agencies program involving the Department of Commerce in partnership with KDOT. This funding program was created and funded over the 10-years of IKE with a total of \$85 million (\$5 million in each of the first

three years of the program and \$10 million in the remaining seven years). Third is the Transportation Technology Development Fund, which receives \$21 million for the next 10 years with \$3 million in 2021 and \$2 million in all other years. The fourth new funding program from IKE is the Driver's Education Scholarship Fund (DESF), and projects for this program will be funded using a combination of federal National Highway Traffic Safety Administration (NHTSA) grant funding of \$0.25 million per year and \$0.1 million of state funds per year. Projects funded through NHTSA are not included in the STIP document as NHTSA funded projects are not covered under U.S.C. Title 23 and the projects are not in KDOT's Core programs. The Broadband Infrastructure Fund, the Transportation Technology Development Fund and the Driver's Education Scholarship Fund expenditures are included in the 'Other Planning Section' of the Transportation Planning and Modal Support section of the Cash-Flow. Projects created in these new programs are not federally funded, except for the Driver's Education Scholarship Fund, and none of the projects related to these new funding programs will be added to the STIP listing of projects as they are either not required by U.S.C. Title 23, are not regionally significant, or are not part of KDOT's Core program of construction projects.

Preservation Plus (PPP), the final new fund program designated in IKE, is unique in that it will be applied

across all types of projects wherever logical to increase safety or broadband in the state. For this reason, while a new subcategory was created for the program in the Preservation program category, there will be no projects associated with the subcategory itself. Instead, as candidate projects are identified, funding will be transferred from the Preservation Plus subcategory to the subcategory of the qualifying project. In the Cash-Flow, the expenditure related to Preservation Plus unprogrammed projects is carried in Preservation under the Construction section of the Cash-Flow. Then, as projects are developed using PPP, the expenditure will be accounted for in the Cash-Flow within whichever construction program the new projects belong, whether that be Preservation, Modernization, Expansion or Local Construction.

These new programs emerged from needs identified during the local consult meetings held across the state when developing the IKE program. In many cases, the new funding programs and their management will be outside the Core programs of Preservation, Expansion, Modernization and Local Construction, and the projects created will not involve federal funding. These two factors preclude all but the Preservation Plus funded projects from being included in the STIP document or added to the STIP through the amendment process.

The revenue sources that fund IKE are the same as those that funded T-WORKS. These funding sources include motor fuels tax, sales and compensating tax, vehicle registration fees, bond proceeds, drivers' license fees, special vehicle permit fees, and several miscellaneous fees such as mineral royalties, publications, and sale of usable condemned equipment. Some of these revenue sources are dedicated in nature and are reserved solely for KDOT to use on the highways, while other sources are designated at the discretion of the Kansas Legislature.

Each of the revenues that KDOT anticipates receiving is itemized in the **Resources section** of the Cash-Flow located at the end of this narrative. These revenue sources are, also, detailed in the table on the following page, titled "Estimated State Generated Revenues by Source". However, in the table, several sources are grouped rather than each source being itemized as is done in the Cash-Flow. Specifically, Miscellaneous fees (Revenues), Transfers, Motor Carrier Property Tax, and Interest (on funds) are grouped together, and Drivers' License Fees and Special Vehicle Permits are combined. The table provides estimates of the anticipated revenue by source per year for the next four years and provides a sum of the 4-year total revenue anticipated from each source.

Estimated State Generated Revenues by Source (\$ Millions)- as of 6/2023

*Some totals may not sum due to rounding of dollars.

Source	State Fiscal Years				Source 4-year Total
	2024	2025	2026	2027	
Motor Fuels Tax	460	460	460	460	1,840
Vehicle Registration Fees	230	230	230	230	919
Sales & Compensating Tax	741	758	783	802	3,085
Bond Proceeds (Net)	0	200	200	200	600
Driver's License Fees & Special Vehicle Permits	13	13	13	13	53
Miscellaneous Revenues, Transfers & Interest	29	26	21	18	94
Total Estimated State Revenues by Fiscal Year	<u>1,473</u>	<u>1,687</u>	<u>1,707</u>	<u>1,723</u>	<u>6,590</u>

While motor fuels tax (MFT) receipts lagged, compared to the other Cash-Flow sources in previous years, in recovery to pre-pandemic levels, these receipts have now rebounded, reaching pre-pandemic levels and the Cash-Flow projections have been adjusted to reflect the increase in MFT receipts. Projections for the State Sales and Compensating Tax (SS&C), the other major source of transportation funding, exceeds pre-pandemic levels indicating that the state economy has rebounded and returned to capacity. Currently, the recent increase in inflation being experienced across the nation has not impacted MFT or SS&C receipts. However, the receipts for both are being monitored closely by the budgeting groups of Kansas for changes in the

trends. If decreases occur in these revenues, adjustments to the projections may become necessary.

As the “Estimated State Generated Revenues by Source” table shows, motor fuels tax receipts and sales tax receipts provide most of the revenue with an estimated 28 percent and 47 percent, respectively, of the four-year total SFY 2024-2027 state-generated funding. Vehicle registration fees and bond proceeds represent approximately 14 percent and 9 percent respectively. All remaining sources combined (Driver’s License Fees, Special Vehicle Permits and Interest) compose 2 percent of the four-year total.

The estimates for KDOT revenues come from three main sources- the Consensus Estimating Group (CEG),

the Highway Revenue Estimating Group (HREG), and agency staff in the Office of Finance and Budget (OFAB). The CEG includes staff from the State Division of the Budget, the Department of Revenue, Legislative Research, as well as several consulting economists. Each member of the CEG prepares independent estimates of receipts for the State General Fund and then the group meets to arrive at a consensus. Although the primary emphasis of the CEG group is on the State General fund receipts, the group also prepares estimates for the growth rate of personal income, inflation, interest rates, and fuel prices and production. These factors all affect state revenues and, ultimately, the revenues KDOT receives from taxes and fees. The CEG provides estimated revenue growth from **sales and compensating use taxes** for two years.

The HREG group is composed of representatives from the State Department of Revenue, Legislative Research, Division of the Budget, and KDOT. Typically, this group meets shortly after the CEG meets. The primary function of the HREG is to prepare forecasts for the **motor vehicle registration fees and motor fuels tax** that will be collected. Since these revenues do not flow into the State General Fund, the CEG does not prepare these estimates. In addition, since the CEG only estimates a growth rate of revenues for two years, the HREG agrees on a long-term growth rate of revenues for the latter years.

KDOT's OFAB estimates the remaining KDOT revenues in the Cash-Flow Worksheet Resources group. **Miscellaneous revenues, Drivers Licenses Fees and Special Vehicle Permits** are estimated based upon historical data and the previous year's actual revenues. **Transfers** are determined by review of applicable statutes, and **Interest on Funds** is determined by staff projected interest rates. **Transfers (Out)** include resources that are transferred to other state agencies for transportation-related functions performed by these agencies but financed by the State Highway Fund, as well as transfers designated by the Legislature at their discretion. For transportation related functions, KDOT transfers funds to agencies to finance salary and operating costs of these functions. The Department of Revenue, for example, receives state highway funds for activities related to the collection and enforcement of vehicle registrations, titles, driver licensing and motor fuel tax. Estimates for 'transfers out' are from the State budget and are modified after each legislative session to reflect appropriations set by the legislature.

The second revenue section of the Cash-Flow Worksheet is the **Federal and Local Construction Reimbursement** section. While this group is not "revenue" in the traditional sense, the section estimates the receipt of the federal share and local share of project costs. The federal-aid program is a reimbursement program, which means funding received from FHWA is reimbursement for monies already spent. In

the case of the local share, these are monies received from locals in advance of a project using local funds being let. The local share is the LPA estimated portion of projects programmed. After construction is completed for projects with LPA participation, a final accounting of cost is done. This final accounting is to determine if the local share received prior to construction was less than or greater than the actual local share of actual project costs. Any overage is returned to the LPA and reimbursements for shortages are requested from the LPA. Since the establishment of the Federal Fund Exchange program, the amount of LPA funding received by KDOT has decreased significantly because most counties elect to participate in the Federal Fund Exchange program. (For a more extensive discussion of the Federal Fund Exchange program refer to page 79.)

Bond Sales is the final resource in the revenue section of the Cash-Flow. Along with the other revenue streams identified, KDOT has been authorized by the Legislature to supplement the funding of the IKE program with bonding. Authorized bonding is limited and is currently authorized for SFY 2025, 2026, and 2027 as shown in the Cash-Flow.

FEDERAL FUNDS

A new five-year federal transportation program, Bipartisan Infrastructure Law (BIL), also known as the “Infrastructure Investment and Jobs

Act”, was enacted on November 15, 2021, and provides federal aid to state and local units of government through September 2026. Funding levels for FFY 2027 in the “Estimated Obligations” table are estimated based upon BIL funding. The new program is the most expansive program in history and provides the largest monetary investment in infrastructure to date, with a focus on bridges, public transit, electric vehicle infrastructure, and providing reliable high-speed internet access to all Americans. BIL specifically authorizes around \$351 billion for highway programs, with approximately \$304 billion from the Highway Trust Fund (HTF) and approximately \$47.3 billion from the federal General Fund. In addition, more of this funding is available to local entities (LPAs) and non-traditional entities. Delivery of this funding is accomplished in two ways, via formula and via discretionary programs (also known as grant allocations). About 90 percent of the BIL funding is through appropriated programs (formula funding) where funding levels are predetermined by formula for each state and every state receives a share of the program funding. Discretionary or grant funding on the other hand is a competitive program made by award, and about 10 percent of the BIL funding programs are awarded in this manner. In the allocated grant programs, applications for the funding are submitted to the FHWA and evaluated against the other submissions received with project selections made at the discretion of FHWA. There is no minimum or maximum award

amount to any one state ascribed to the BIL discretionary program group, meaning no state is guaranteed a minimum amount of the grant funding portion of the BIL program and there is not a maximum set on the total amount of grant program funding a state may be awarded. However, there are often limits to the amount of funding any one project may be awarded as set out by the rules of the individual grant program. Likewise, there is a limit on the funding level of each of the discretionary fund programs as set out in BIL.

All six FAST Act formula programs are continued in BIL, and four new formula programs have been added. These apportioned programs constitute the majority of the BIL funding, totaling approximately \$265 billion of apportionment over five years to the states.

The first apportioned program that continues in BIL is the National Highway Performance program (NHPP), which is designed to provide support for the condition and performance of the National Highway System (NHS), for the construction of new facilities on the NHS, and to ensure that funds used in highway construction support the newly established performance targets established in each state's asset management plan for the NHS. Added under BIL is the additional goal of increasing resiliency of the National Highway System (NHS) from extremes in weather like flooding,

wildfire, rising sea levels and other natural disasters. Projects in Appendix A, the Project Index, funded from this program are identified by the fund categories ACNHP or NHPP in the project information.

The second program that continues under BIL is the Surface Transportation Block Grant Program (STBG). New eligibility for projects involving electrical vehicle charging infrastructure, wildlife crossings, and resilience enhancements have been added, and the Transportation Alternatives (TA) program and Planning remain set-asides of STBG.

The STBG program has the greatest flexibility in project eligibility of all the federal fund programs and is intended to address transportation needs at the State and local levels. To assure funds are distributed equitably across states, the program funds are sub-allocated by population. Under BIL, the sub-allocations have been split into four groups rather than the previous two groups under the FAST Act. The sub-allocation ranges are areas with populations greater than 200,000, areas with populations from 200,000 to 50,000 (new under BIL), areas with populations from 49,999 to 5,000 (new under BIL), and areas with populations less than 5,000. Funds are distributed to the different population groups in proportion to their relative share of the State's population. The percentage of STBG funding for set-asides and sub-allocations is approximately 62 percent,

with 2 percent allocated to Planning (which is managed by KDOT), 1 percent that is dispersed directly to KDWP for Recreational Trails (RT), and approximately 60 percent suballocated for use in the population ranges described above. The approximate 38 percent of remaining STBG funding may be used in any area of the state and is deemed flexible. STBG funding has a federal share of 80 percent unless the project is on an interstate, then the federal share is 90 percent. In the project listing, Appendix A, projects using STBG funding will have ACSTP or STP in the fund category information.

Under BIL, the Transportation Alternatives (TA) set-aside funding levels have been increased to 10 percent of the total STBG program apportionment, and, like the Core STBG funds, 59 percent of the TA funding must be suballocated based upon the four population ranges established in BIL. This is an increase from the prior 50 percent required under the FAST Act to be suballocated. The remaining 41 percent of TA funding may be programmed in any area of the state and is deemed flexible. Funding in this set-aside is focused on a variety of smaller-scale transportation projects such as pedestrian and bicycle facilities, recreational trails, safe routes to schools and other community improving projects.

TA funding is reported in the apportionment and obligation tables that follow this discussion separately from STBG since that is the way the funding

is delivered from FHWA and tracked. TA is also the fund category used in the project listing for projects funded with these funds.

Recreational Trails (RT) funding remains a set-aside of the TA program fund, which is itself a set-aside of the STBG program. Under BIL, no change was made to RT funding and levels remain unchanged from 2009. As directed by the Governor, the RT program is administered by the Kansas Department of Wildlife and Parks (KDWP), and the portion of federal funding designated for RT is transferred directly to them from the State General Fund. Since these funds are not part of the federal funding at KDOT's disposal and are never obligated by KDOT, they are not included in the KDOT funding tables of apportionment and obligation that follow this discussion. Instead, for more information about the RT program including funding and projects, refer to the RT narrative section of this document.

Planning (PL) is a set-aside of the STBG program and is continued in BIL from the FAST Act. Planning projects are not listed in the STIP, but instead are documented in the State Planning and Research (SP&R) Work Program.

Congestion Mitigation and Air Quality (CMAQ) program is the third apportionment program that continues in BIL and is designed to provide fund-

ing for projects or programs that alleviate congestion to improve air quality in areas of nonattainment or in areas of former nonattainment. Newly eligible projects under this program are micro-mobility and the purchase of diesel replacements or medium to heavy-duty zero emissions vehicles including related charging equipment. Also, BIL newly requires the prioritizing of disadvantaged communities when developing projects to reduce fine inhalable particulate matter (PM_{2.5}) emissions. CMAQ funding generally has a federal share of 80 percent, but some safety projects that include an air quality or congestion relief component may be eligible for a federal share of 100 percent. Projects using CMAQ program funds may be identified in the project listing by the CMQ fund category code. Like STBG funding, CMAQ funding is suballocated by the same population ranges described in the STBG section to ensure funds are distributed equitably across states.

The fourth apportionment program funded in BIL, renewing from the FAST Act, is the Highway Safety Improvement Program (HSIP). The goal of this program is to achieve a significant reduction in traffic fatality and serious injury accidents on all public roads including federal, state, and non-state-owned public roads, as well as roads on tribal lands. The approach to achieving the goals of this program and the newly created performance measures are data driven and strategic in nature. A new requirement for using

the funding in this program is the states' completion of vulnerable road user (VRU) safety assessments. To be eligible for HSIP program funding, projects must be for safety activities and consistent with the State's Strategic Highway Safety Plan. Federal funding pro rata for projects using HSIP funding is generally 90 percent with a 10 percent match, and, in some special cases, the federal funding pro rata is 100 percent. HSIP is the fund category code for projects listed in Appendix A funded with this program.

The Railway-Highway Grade Crossings Program (RHCP) continues as a set-aside of the HSIP program and provides funding for safety related improvements to reduce fatal and serious injury accidents at public railway-highway grade crossings. Approximately \$6.6 million is allocated to this program and funds set aside for this program are not eligible for transfer to other apportioned programs. Under BIL, several changes have been made to eligibility in this set-aside with a key change being the federal pro rata increasing from 90 percent to 100 percent. Additionally, the requirement that 50 percent of the RHCP funding be reserved for "protective devices" has been eliminated. The fund categories associated with this program are ACRRP, ACRRS, RRO, RRP and RRS, and projects using this funding may be identified by these fund category codes in the project information in Appendix A.

National Highway Freight Program (NHFP) Funded Projects in Kansas (\$ Millions) *- as of 6/2023

Project Number and Description	Federal Fiscal Years				4-Year Project Total NHFP Funds**
	2024	2025	2026	2027	
KA-1008-02 US-83 Pavement in Haskell County	\$23.707	\$0.000	\$0.000	\$0.000	\$23.707
KA-5060-01 Bridge #009 over I-35 in Johnson County	\$8.462	\$13.630	\$6.024	\$0.000	\$28.115
KA-6018-01 I-70/K-18 Interchange in Geary County	\$0.000	\$0.000	\$7.878	\$8.112	\$15.990
KA-1008-04 US-83 Pavement in Finney County	\$0.000	\$0.000	\$0.000	\$5.791	\$5.791
Total Estimated NHFP funds by Federal Fiscal Year**	<u>\$32.168</u>	<u>\$13.630</u>	<u>\$13.902</u>	<u>\$13.902</u>	<u>\$73.602</u>

*Estimated obligation amount taken from most recent engineering estimates.

**Some totals may not sum due to rounding of dollars.

The National Highway Freight Program (NHFP), the fifth program continued in BIL, was established under the FAST Act to promote the efficient transport of freight on the National Freight Network (NHFN) by investing in infrastructure and operational improvements. Under BIL, the portion of NHFP funding eligible for use on freight intermodal or freight rail projects increased from 10 percent to 30 percent subject to restrictions. To be eligible for funding, states are required to have a freight plan and a freight investment plan in place. The State of Kansas Freight Plan was approved by FHWA on May 2, 2023, and may be viewed at the following link: https://www.ksdot.gov/Assets/wwwksdotorg/bureaus/burRail/Rail/Documents/2023/KansasStateFreight-Plan_FHWA_Approved.pdf.

Above, in the “National Highway Freight Program (NHFP) Funded Projects in Kansas” table, are the current projects and estimated federal funds for NHFP projects in federal fiscal Years 2024 through 2027, which are covered by this STIP. In the apportionment and obligation tables that follow this discussion, this fund program is identified as Freight. ACFRP and FRP are the fund category code for projects listed in Appendix A funded with this program.

Metropolitan Planning (MP) is the sixth and final program from the FAST Act continued in BIL. The focus of this program is the establishment of a cooperative and comprehensive framework for decision making concerning transportation issues and investments in metropolitan areas of the

state. The MP program funds are transferred to the FTA and are managed jointly by FTA, FHWA, the Kansas MPOs and KDOT. Since these funds are transferred from KDOT, and are never obligated by KDOT, they are not included in the funding tables of apportionment and obligation that follow this discussion.

Along with these funding programs continued from previous transportation programs, several new apportionment programs were created in BIL. Two of these new programs, Carbon Reduction and PROTECT, are funded from the Highway Trust Fund (HTF), as are the previous apportioned programs discussed. New to the transportation program in BIL is the use of General Fund (GF) federal dollars to help supplement the transportation program funding from the HTF. Two of the programs funded from the GF are apportioned although the majority are discretionary in nature.

The Carbon Reduction Program (CRP) was created to promote the reduction of carbon in the atmosphere through the reduction of transportation related emissions or through the development of carbon reduction strategies including the promotion of public transportation, the promotion of alternative transportation including the creation of pedestrian and bicyclist's pathways, and the creation of traffic monitoring and control facilities among others. Each state is required to develop a

Carbon Reduction Strategy in consultation with the state's MPOs that is approved by FHWA and in place by November 2023. Further, the strategy should be updated on a regular basis at a minimum of every four years going forward.

Like the STBG program, a portion of the CRP program of funds are suballocated based on the four population ranges described in the STBG section, with a total of 65 percent of the funds reserved for suballocation. Funds are distributed to the different population groups in proportion to their relative share of the State's population. The remaining 35 percent of CRP funds is flexible funding that may be used in any area of the state. Of the approximate \$63.3 million anticipated in apportionment under BIL, \$41.14 million will be distributed based on the population ranges described previously, and the remaining \$22.16 million is flexible spending left to KDOT's discretion to program. The CRP funding has additional flexibility, as up to 50 percent of the funds made available to Kansas each year may be transferred from the CRP program to any other apportionment fund. Conversely, up to 50 percent of funds from another apportionment fund may be transferred to the CRP program as well (subject to some limitations). Generally, the federal share for the CRP program is 80 percent. For projects using this funding in Appendix A, the Project List, or in future amendments, the fund category is CRP.

The second new apportionment program in BIL is the Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) program. The projects eligible for funding under this program are those that increase the resiliency of the system. A few specific examples of eligible projects are those that increase additional flood storage in locations adjacent to highway right-of-way, those for the upgrade to and installation of culverts designed to withstand 100-year flooding events, and those that provide improved functionality and resiliency of stormwater controls. In general, the apportioned projects in the PROTECT program are funded with an 80 percent federal share and a 20 percent match. In addition to the apportioned funds, the PROTECT program has a grant portion of funding as well. KDOT is currently developing its Resilience Improvement Plan, which, when approved, will be used to develop projects. When projects are developed using this funding, the fund category associated to them and displayed in the project information for the amendments and STIP will be PRTCT.

Under BIL, the third new apportioned fund is the Bridge Formula Program (BFP). This program is funded from the GF rather than the HTF, and any funding not programmed as of September 30, 2025, will lapse or no longer be available for programming. The purpose of this funding is to aid in the maintenance, restoration, or re-

placement of the nation's bridges, including bridges on local public roads. Fifteen percent of the \$45 million anticipated to be awarded to Kansas from FFY 2024-2027 is allocated to the LPAs for bridge projects on local roads. The federal share for these local bridge projects is 100 percent. Approximately \$38.3 million remains after the local share and is KDOT's share to program. The federal share for the KDOT projects (those that are not on local roads) is 80 percent with 20 percent state matching funds. In the "FFY 2024-2027 Apportionments and Obligations" tables, this funding is listed as BR. Projects using this funding in the project listing will have the fund categories BRF or BRO.

The fourth apportioned program under BIL is the National Electric Vehicle Formula Program (NEVI). Like the BFP, this program is funded from the GF, however, the funding for this program will remain available until expended and will not lapse like the BFP funding. The goal of this program is to deploy electric vehicle (EV) charging infrastructure throughout the nation and to establish an integrated network to simplify data collection, access, and reliability of electric vehicles. For states to access this funding, an EV Infrastructure Deployment Plan was required to be submitted jointly to the Joint Office of Energy and Transportation and FHWA. KDOT's Charge Up Kansas NEVI Plan was approved in September 2022 and more information about the plan can be accessed at this

link: <https://ike.ksdot.gov/charge-up-kansas>. A request for applications was issued in April 2023 and submissions were due by May 5, 2023. Projects have not been awarded at the time of creation of the FFY 2024-2027 STIP, and, for this reason, the Apportionment table shows the anticipated apportionment for the NEVI program over the next four-years, but the Obligation table has no corresponding obligations. Those projects will be added to the STIP through the amendment process in place.

The federal share for this program is 80 percent with a 20 percent match. Total anticipated formula NEVI funding available for Kansas is estimated to be \$39.5 million for the years of BIL. Further program requirements are that funded projects be located along designated alternate fuel corridors and that 10 percent of the total program funding be set-aside for discretionary grants to the states and LPAs that need additional assistance to deploy EV charging infrastructure. When projects are selected for this funding, the fund category associated with the funding in the project information in amendments and the STIP will be NEVI.

As in the FAST Act, there are funds in BIL that are allocated on a yearly basis without guarantees that the level of funding or frequency of funding will continue. There is a funding program associated with each of these allocations and the funds distributed to

these funds varies. One common characteristic, however, is that the funding associated with these allocations is usually small. Therefore, these allocations are combined in a single funding group named 'Other' in the Apportionment table. Currently, the only allocated funds shown in the Other grouping are the 'Redistribution of Other funds' as this is reliably redistributed every year to Kansas. The amount historically redistributed to Kansas, and the amount estimated for each of the four years of the STIP, is \$4 million. As in the FAST Act, the Disadvantaged Business Enterprise (DBE) was continued in BIL and is an allocated fund as well. However, the funding Kansas receives for this program has been variable, historically, and not reliably predictable. Therefore, an apportionment estimate is not included in the Other group for this allocation in the four-years of the STIP.

The discretionary funding in BIL is greatly increased from that in the previous FAST Act program, where the grant program was minimal and essentially consisted of only a few allocated funds. In BIL, there are several newly created discretionary grant programs and the funding for these programs is varied with some being funded through the HTF, others funded from the GF, and the Bridge Investment program is funded with both. The discretionary grant programs along with other allocated funds compose about 10 percent of the total HTF programming, while the discretionary grant programs funded from the GF are approximately

28 percent of the total GF funding for BIL. Not all the discretionary grant programs funded in BIL are transportation related, as energy and water are also being addressed under BIL. However, the new discretionary grant fund programs related to transportation that could have projects awarded and then be added to the STIP are: Safe Streets and Roads for All, Wildlife Crossings Pilot Program, PROTECT Grants, Charging and Fueling Infrastructure, National Electric Vehicle Grants, Congestion Relief Program, Bridge Investment Program, National Culvert Removal, Replacement, and Restoration grants, Reconnecting Communities Pilot program, Rural Surface Transportation Grants, National Infrastructure Project Assistance program or Mega Grants (“Mega-projects”), Local and Regional Project Assistance (RAISE) program, INFRA Program (known statutorily as the Nationally Significant Multimodal Freight and Highway program), Reduction of Truck Emissions at Port Facilities program, and the Prioritization Process Pilot program.

Discretionary or grant funding programs are application programs administered either by the Office of the Secretary of Transportation (OST) or the Office of Operating Administrations (OAs). The program administrator of each discretionary grant fund solicits projects through applications. The applications submitted are then reviewed and evaluated based on merit and eligibility. Selections are made along with decisions about award amount and, in

some cases, match requirement from the applicant. Generally, for discretionary grants, project solicitations are made annually for every year that the grant is funded. Since KDOT does not have any assurance discretionary grants will be awarded, apportionment is not estimated in the “FFY 2024-2027 Estimated Apportionment” table for these programs in the years of this STIP. However, if, or when, a grant is awarded to Kansas in one of these discretionary grant programs, the apportionment and obligations will be included in the ‘Other’ grouping of the funding tables following this discussion.

The apportionment and obligations that Kansas anticipates for the years of this STIP are presented in the “Federal Fiscal Years (FFY) 2024-2027 Estimated Apportionments & Obligations” table on pages 76 and 77 of this section. The funding tables establish the fiscal constraint KDOT has in place at the federal fund level for the years of the STIP and are organized by the apportioned funding categories just described with two exceptions. The HSIP and STBG set-aside programs of Railway Grade Crossings (Railway) and Transportation Alternatives (TA), respectively, have been split out from their Core programs and reported independently. The funding table is arranged in this manner to match how funding is distributed to the states by FHWA and reflects how information concerning these funds must be reported to FHWA.

As with past transportation acts, some provisions in BIL are comprehensive, applying to all projects that use federal funding, while other provisions are program specific. For a project to be eligible to use a specific program’s funding, the project must meet the conditions identified within the program in addition to meeting the broader requirements laid out in the act itself. The contents of this STIP reflect the requirements that were laid out by BIL and assume these requirements are in effect until such time that a new federal program, reauthorization, or extension changes the requirements.

In addition to apportioning funds to the states, Congress annually sets an upper limit, termed an obligation ceiling, on the total amount of obligations that each state may incur. This limit is used as a means of controlling budget outlays to improve the federal-aid highway programs’ responsiveness to the nation’s current economic and budgetary conditions. The obligation limitation is typically less than the amount of federal aid apportioned to the states and is determined and approved by Congress on an annual basis. Since the “ceiling” for 2024 was unknown when the STIP was prepared, KDOT limits total estimated obligations for the four years of the STIP at approximately 90 percent of the total expected four-year contract authority. This percentage approximates the average obligation ceiling that Kansas has historically received. This does not mean that every

fund grouping obligation is this percentage, but that KDOT tries to maintain this percentage to preclude over-programming.

The apportionment section of the “Federal Fiscal Years (FFY) 2024-2027 Estimated Apportionments & Obligations” table provides the total apportionments anticipated to be received in each of the four years of the STIP and the anticipated FFY 2023 Carryover Apportionment. The FFY 2024–2026 apportionments reflect levels specified in BIL, and FFY 2027 is estimated at the same levels as BIL (the BIL Program is only funded through FFY 2026). Furthermore, the table displays how the funding is anticipated to be distributed by year in the apportioned funding programs and in the FFY 2023 Carryover Apportionment. The funds estimated in the funding program groups are those that are at KDOT’s discretion to use apart from STBG, CRP, BFP and CMAQ. A portion of each of these program funds is shared. The STBG, CRP and BFP funding, as specified in the program guidelines, must be divided into four population portions and the portion remaining after the proration based on populations is at KDOT’s discretion to use. As specified in the CMAQ funding guidelines, portions of the funding are reserved for the two larger MPO areas of Kansas City and Wichita, for State planning and research activities, with the remainder to be used at KDOT’s discretion. Also, as discussed in the program descriptions, neither the MP program funds nor the

RT program funding is shown in the tables as the funding for each is transferred to the FTA and the KDWP, respectively.

Along with the apportionment section is the Estimated Obligation section, which summarizes by fund group and year the federally funded projects required by U.S.C. Title 23 to be included in a STIP that Kansas has programmed in the next four years at the time this document was prepared. The obligations for projects meeting these criteria are captured, in this table and, further, the individual projects including funding information are captured in Appendix A, the Project Index, or, if in a MPO area, by reference of the MPO's Transportation Improvement Plan (TIP). (For information about MPOs, see the narrative titled Metropolitan Transportation Improvement Programs.) Since project programming is an iterative process, the project list in Appendix A is always evolving. Some projects are in development, especially for programs where projects are selected on an annual basis, so new projects are being created that will need to be added to the STIP. Changes to current projects are made in response to economics, plan development changes or changes in project schedule, and/or project costs and, in turn, these changes sometimes require updates to the STIP; and, in some cases, projects are cancelled or deferred and the STIP is updated for the change. Project programming and delivery is a fluid ongoing process, and the resulting changes that

occur from this process are captured in the STIP through the amendment process that is in place.

In the Obligation section, the same fund groupings are used as in the apportionment section. Obligations in place at the time this document was prepared are provided by fund group for each of the four years of the STIP along with the total projected obligation for each year and a total obligation for the four years. Also, Advance Construction Conversions in place after FFY 2027 by year and funding program groups are provided. Since Kansas is selecting and programming projects on a rolling two-year basis, the projects committed with planned obligations in the outer two years of this document have not been completely selected at this time, while the first two years are almost fully planned with generally only some of the annually selected projects remaining to be selected and added via the amendment process. Pre-requirements associated with the new fund programs for obligation, time to plan and develop projects, and the lack of fund program requirements are the main reasons that there are not corresponding obligations for most of the new fund programs identified in the tables. As described in the prior apportionment fund program discussions, there are assessments, plan revisions, and new plans in development to meet the requirements set out in BIL before some new fund programs are available for KDOT to develop and obligate projects. Time is a factor as less than two

years have elapsed since BIL was passed, which is insufficient time for KDOT to absorb all the new fund group rules and changes to existing fund groups, to plan for the new fund programs, and to develop new projects for programming. Several programs, including NEVI and CRP, require a plan to be developed and approved by FHWA, which has caused a delay in being able to program new projects for these funds. For these reasons, some apportioned fund programs do not have corresponding obligations for the apportionment shown in this STIP document. KDOT anticipates that the obstacles to obligating will be largely rectified by the time the next STIP is prepared.

When reviewing the obligations planned with the apportionment available, the **total** estimated obligations for the four FFYs covered by this STIP are less than or equal to the expected **total** federal appropriations expected in the four-year period, including the FFY 2023 Carryover apportionment. In FFY 2024 and FFY 2025, the first two years of this STIP, the estimated obligations for projects currently committed is approximately \$562 million and \$572 million respectively. For FFY 2024, the estimated obligation is inclusive, but does not yet include all planned projects for the year as not all the annually selected projects were programmed nor have projects been developed for most of the new BIL fund programs. In FFY 2025, there are some groupings not fully selected or programmed along

with annual projects not yet selected, and new BIL programs, as already discussed, are largely unprogrammed. As projects are developed, they will be added by the amendment process or captured in the next STIP. The estimated obligation for all four years does include advance construction conversion projects including projects within MPO areas. Currently, FFY 2024 total advance construction conversion projects are anticipated to total approximately \$478 million and FFY 2025 total advance construction conversion is anticipated to be approximately \$465 million as determined from Appendix C, the Advance Construction Project Index.

While FFY 2024 through 2027 are not overprogrammed, some grouping obligation projections are larger than their corresponding apportionments in these two years. For FFY 2024, the obligation groupings HSIP, CMAQ, TA, Freight, and Other are greater than their corresponding anticipated apportionment for the year. NHPP anticipated obligation in FFYs 2025, 2026, and 2027 are greater than the corresponding anticipated apportionment for the year. In addition, both the STBG and BR groupings have estimated obligations greater than their corresponding anticipated apportionments for the FFYs 2024, 2026, and 2027. However, the apportionment for each year along with the anticipated Carryover apportionment from previous years is sufficient to cover the

overage in projected obligations for these categories for each year.

Specifically, the Other obligation grouping is reserved for obligations for discretionary funding program grants that have been awarded, earmarked (if applicable), and/or allocated funding. OJT and DBE funds are allocated funds usually distributed on a yearly basis. However, distribution is not guaranteed in each year, and past amounts received have varied greatly from one year to the next. For these reasons, Kansas does not estimate DBE and OJT funds in the apportionment section and does not develop projects and corresponding obligation for these funds except for the current year plus one (with projects for 2025 to be added later in 2024 by amendment). In this way, KDOT ensures that the risk of over programming without available funding is low. In FFY 2024, the Other obligation is estimated at \$11.18 million, while apportionment is currently projected at \$4 million. For the FFY 2024-2027 STIP, the decision was made to move the HIF fund from its own grouping to be included in the Other grouping, as this funding did not continue in BIL and is unlikely to be included in another appropriations act. In FFY 2024, the estimated obligation is greater than the apportionment estimated for the ‘Redistribution of Other funds’ because these projected obligations are for allocated HIF funds that KDOT has programmed with the awarded HIF funding from the Appropriations Act of 2021. The appor-

tionment funding is from the ‘Redistribution of Other funds’ as Kansas has not yet received DBE or OJT allocations for 2024. The only DBE project currently programmed and listed in this STIP Project Index for FFY 2024 is funded with the STP fund grouping, and, therefore, is not part of the Other obligation total.

Similarly, in FFY 2024, the CMAQ, HSIP, TA, and Freight groupings are projecting obligations that exceed anticipated apportionment for the year. This should not be an issue as there is sufficient carryover in each of these fund groupings from 2023 to cover these overages. The carryover balance for each of these groupings is not large and KDOT will need to monitor these programs closely to ensure overprogramming is not an issue in future years.

FFYs 2024, 2026, and 2027 have more obligation planned in the STBG grouping than apportionment available for the year, while FFYs 2025, 2026, and 2027 have more obligation programmed in the NHPP grouping than there is available apportionment for that year. However, both groupings, STBG and NHPP, have large carryover apportionment balances which will offset the overages predicted in each of the years, respectively.

Finally, in FFY 2024, the grouping has a large projected obligation that is greater than the apportionment anticipated to be received for the year. The

reasons for this larger obligation are twofold. First, the Bridge Formula Program (BFP) apportionment (which is included in the BR fund group) for FFY 2022 was distributed too late to be used on FFY 2022 projects, making the funds available as carryover apportionment to be used in FFY 2024. Together, the carryover apportionment from FFY 2022 and the FFY 2024 projected apportionment are sufficient to meet the obligation in FFY 2024. As discussed in the fund program information, the BFP program fund, unlike most other fund groups, lapses at the end of 2026 and is the second reason the BFP program is so robustly programmed, which also explains the necessity for estimated obligations for FFY 2026 and 2027 to be more than the associated apportionments. KDOT has no desire to lose this funding and is making every effort to have enough projects available to use the apportionment. KDOT will continue to monitor the total apportionment available in the BR fund group in each year as compared to the obligations in place, and, if needed, will use advance construction, or will move projects to the latter years of the STIP to ensure that the BR fund grouping apportionment does not exceed the available apportionment plus anticipated carryover from prior years.

In conclusion, while some of the obligation groupings are larger than the correlating apportionment in the first two years of the STIP, there is sufficient carryover apportionment to meet the excess in projected obligation.

However, some of the carryover apportionment grouping balances are shrinking, and KDOT will need to carefully monitor these declining carryover balances in the future to ensure that sufficient apportionment for the correlating obligation is available. If the situation arises where available apportionment, including carryover apportionment, no longer meets or exceeds the projected obligation in a year or grouping, additional measures will be taken to prevent overprogramming. For example, in many of the obligation groupings, there are AC conversion projects that may need to be moved to future years to await such a time that obligation is available for their conversion. Moving the AC project conversions would reduce the obligations in the year currently projected. (AC conversion projects are projects that have been undertaken with state funds with the option to convert to federal funds when obligation is available.) Appendix C, the Advance Construction Project Index, lists AC projects along with the year(s) of expected conversion and conversion amounts.

Advance construction allows flexibility in programming and ensures that KDOT always has projects available to meet our apportioned federal funds. However, as with carryover apportionment, KDOT's AC balance is growing while being actively monitored by the Federal Fund Manager to ensure that AC obligation does not exceed limits in place by FHWA.

An exception to MPO projects not being listed in the STIP is projects using advanced construction. MPO projects are a significant portion of the projects funded in the state. They are frequently of large scale, and usually are programmed using the advance construction mechanism. Thus, including the advance constructed MPO projects is a necessary measure taken to adequately illustrate fiscal constraint. MPO project information is included in Appendix C, the Advanced Construction Index, and their estimated obligations are included in the “Federal Fiscal Years 2024-2027 Estimated Apportionments & Obligations” table.

For each year in the table, the estimated obligation for each grouping is composed of the expected advance construction conversion projects, including projects within MPO areas, and the obligation of non-advance construction committed projects including projects within MPO areas. From the table, the total estimated obligations for FFY 2024-2027 are \$2.049 billion and, of this obligation, total advance construction conversions anticipated for FFY 2024-2027 are approximately \$1.890 billion (as determined from Appendix C, the Advance Construction Project Index). Additionally, in the “Federal Fiscal Years 2024-2027 Estimated Apportionments & Obligations” table, the “Advance Construction Conversions after 2027” column provides estimates for advance construction already in place for years that exceed the STIP

range. For the years after 2027, advance construction conversions are provided as lump sums by federal fund category, which are currently estimated at a total of \$1.293 billion.

The Advance Construction in years after FFY 2027 column is included to clarify that the State does have conversions planned outside the years of this STIP document and that total planned advance construction is within the policy for advance construction outlined under 23 U.S.C. 420.115, part 630, sub part G. Excluding the Other grouping, which estimates obligation for projects using allocated or special ear mark funding for which apportionment is not received, the **total** estimated obligations for the four FFYs covered by this STIP are less than or equal to the **total** federal appropriations expected in the four-year period including FFY 2023 Carryover.

KDOT will continue to use the two mechanisms of carryover apportionment and advance construction to balance apportionments and obligations. Carryover apportionment happens when the federal obligation ceiling is set lower than the apportionment for a given year. The difference between the two amounts is “carried over” to the next fiscal year as part of the unobligated balance. Most federal fund categories have an obligation ceiling lower than the apportionment and, for this reason, the FFY 2024-2027 Apportionment section includes a column

for the anticipated Carryover apportionment from FFY 2023. Currently, every fund category grouping is anticipated to have apportionment carryover from 2023, and some of this carryover apportionment will be used in years of this STIP in fund categories where projected obligations exceed apportionment. The second mechanism for balancing is the use of advance construction. In this mechanism, KDOT reserves the right to request conversion for federal funds on a project in a year that obligations are available (not necessarily the same year the project is initiated), and this conversion year may be adjusted and/or several partial conversions over multiple years may be made. Using advance construction provides KDOT flexibility to move projects to where obligation gaps exist due to timing of project development.

provided in the Metropolitan Transportation Improvement Programs narrative section. Advance construction conversion information is listed separately in Appendix C. In general, the information presented within the “Federal Fiscal Years 2024-2027 Estimated Apportionments & Obligations” table is broader and more encompassing than the information summarized in Appendix B and listed in Appendix A.

Finally, it must be noted that the inclusion of the anticipated advance construction conversions and MPO information in the “Federal Fiscal Years 2024-2027 Estimated Apportionments & Obligations” table precludes the total expected obligations in the tables from matching the total expected obligations from Appendix B, the Summary of State Transportation Improvement Program Project Index. The table and the appendix do not share the same source data. Appendix B summarizes Appendix A, which does not include the MPO projects or advance construction conversion information. MPO project information is available in the individual MPO TIPs, and a link for each TIP is

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Estimated Apportionments for FFY 2024-2027 STIP as of 07/07/2023

All dollar amounts in \$1,000's - Dollar amounts may be rounded

Apportionment Grouping	Anticipated					FFY
	FFY 2023 Carryover [^]	FFY 2024	FFY 2025	FFY 2026	FFY 2027	2024-2027 Total
NHPP	\$236,772	\$285,889	\$291,607	\$297,439	\$297,439	\$1,172,374
STBG	\$169,072	\$120,801	\$123,241	\$125,730	\$125,730	\$495,502
HSIP	\$25,871	\$26,001	\$26,652	\$27,312	\$27,312	\$107,277
Railway [*]	\$17,447	\$6,549	\$6,549	\$6,549	\$6,549	\$26,196
CMAQ	\$22,084	\$10,572	\$10,783	\$10,999	\$10,999	\$43,353
TA [*]	\$28,815	\$16,896	\$17,237	\$17,586	\$17,586	\$69,305
Freight	\$27,785	\$13,362	\$13,630	\$13,902	\$13,902	\$54,796
CRP ^{**}	\$19,273	\$12,655	\$12,908	\$13,166	\$13,166	\$51,895
PROTECT ^{**}	\$13,569	\$14,389	\$14,677	\$14,970	\$14,970	\$59,006
BR ^{**}	\$85,547	\$45,000	\$45,000	\$45,000	\$45,000	\$180,000
NEVI ^{**}	\$14,261	\$6,083	\$6,205	\$6,329	\$6,329	\$24,946
Other ^{***}	\$68,441	\$4,000	\$4,000	\$4,000	\$4,000	\$16,000
Total	\$728,937	\$562,197	\$572,489	\$582,982	\$582,982	\$2,300,650

Notes:

[^] Anticipated FFY 2023 Carryover is the unused apportionment from prior years available for use in the years of this STIP. The carryover apportionment available in a grouping will be used in instances where obligation in a grouping in one or more of the STIP years exceeds the apportionment available in that year(s) for the fund grouping. Carryover apportionment is anticipated to be used in FFY 2024 in the HSIP, CMAQ, TA, Freight, and Other groupings since planned obligations exceed available apportionment in those fund groups. NHPP anticipated obligation in FFYs 2025, 2026, and 2027 exceeds anticipated apportionment for each year so Carryover apportionment from prior years will be used in both years to offset the difference. In the both the BR and STBG groupings, Carryover apportionment is anticipated to be used in FFYs 2024, 2026, and 2027, as planned obligations exceeds anticipated apportionment for each year. In all groupings there is sufficient apportionment or sufficient apportionment and anticipated Carryover apportionment available to meet the amount of obligations anticipated for the years of the STIP.

^{*} Separate fund groups for two set-aside funds, Railway and TA, are maintained in both the apportionment and obligation tables as the federal funds are distributed in this manner to the States and are reported back in this manner to FHWA.

^{**} New fund grouping authorized under BIL.

^{***} The Other grouping is used by KDOT to capture miscellaneous funding types, some of which are apportioned funds, but most are allocated (funds that are not guaranteed to be received). The apportionment estimated in the four-years of this STIP is for allocated funds received for the 'Redistribution of Other funds' that are received reliably and therefore estimated in all four years of the STIP. For the FFY 2024-2027 STIP, the decision was made to move the HIF fund from its own grouping to be included in the Other grouping, as this funding did not continue in BIL and is unlikely to be included in another appropriations act. In FFY 2024, the obligation in the Other grouping is greater than the apportionment estimated for the 'Redistribution of Other funds' because these obligations are for allocated HIF funds that KDOT has programmed with the awarded HIF funding from the Appropriations Act of 2021.

Estimated Obligations for FFY 2024-2027 STIP as of 07/07/2023

All dollar amounts in \$1,000's - Dollar amounts may be rounded

Obligation Grouping	Advance Construction Conversion after FFY 2027 [^]	FFY 2024	FFY 2025	FFY 2026	FFY 2027	FFY 2024-2027 Total
NHPP	\$894,957	\$261,404	\$315,521	\$300,091	\$303,890	\$1,180,906
STBG	\$363,371	\$121,123	\$108,339	\$144,929	\$69,261	\$443,652
HSIP	\$0	\$39,288	\$18,490	\$13,726	\$9,600	\$81,104
Railway*	\$0	\$0	\$0	\$0	\$0	\$0
CMAQ	\$0	\$12,868	\$4,827	\$0	\$0	\$17,695
TA*	\$0	\$35,453	\$1,096	\$2,280	\$0	\$38,829
Freight	\$0	\$32,168	\$13,630	\$13,902	\$6,688	\$66,388
CRP**	\$0	\$1,415	\$0	\$0	\$0	\$1,415
PROTECT**	\$0	\$0	\$0	\$0	\$0	\$0
BFP**	\$34,620	\$76,862	\$20,508	\$54,014	\$53,953	\$205,337
NEVI**	\$0	\$0	\$0	\$0	\$0	\$0
Other***	\$0	\$11,181	\$2,274	\$0	\$0	\$13,455
Total	<u>\$1,292,948</u>	<u>\$591,762</u>	<u>\$484,685</u>	<u>\$528,942</u>	<u>\$443,392</u>	<u>\$2,048,781</u>

Notes:

Estimated obligations include advance construction projects that are anticipated to be converted in the year.

In some years, the estimated obligation groupings may include obligations for funds apportioned in prior years (Carryover) resulting in the anticipated obligation being greater than the corresponding apportionment for the year in that grouping. When this occurs Carryover apportionment is used or if/when needed a portion of the advance construction conversions that are included in the obligation for that grouping may be deferred to a later year to resolve the imbalance.

* Separate fund groups for two set aside funds, Railway and TA, are maintained in both the apportionment and obligation tables as the federal funds are distributed in this manner to the States and are reported back in this manner to FHWA.

** New fund grouping authorized under BIL. KDOT intends to develop/program projects for these new fund groupings through the appropriate processes as the required program approvals and new guidelines are made available to the state.

** The Other fund group is generally for obligations related to allocated funds and other special funds that are not apportioned like emergency funding, special discretionary funding and for any funds awarded in one of the several discretionary fund programs of BIL. For FFY 2024 in this STIP (as described in the Apportionment Table Other note), the obligation in the Other grouping is greater than the apportionment estimated for the 'Redistribution of Other funds' because these obligations are for allocated HIF funds that KDOT has programmed with the awarded HIF funding from the Appropriations Act of 2021.

[^] This column displays the reservation of Advance Construction in place by grouping for years outside the four-years of this STIP.

LOCAL FUNDS

Local government sources of transportation funds include state motor fuels tax revenue received through the Special City and County Highway Fund, federal-aid funds received through KDOT, state funds through partnership with KDOT on certain projects, or through the local Federal Fund Exchange program, property taxes, local option sales taxes, and bond issues. Of these transportation funding sources, the largest portion is provided by property taxes. Most of this revenue is spent on maintenance rather than new construction.

The funds are distributed to cities and counties with respect to all applicable federal laws, state statutes, and/or KDOT policies, and these funds comprise the “obligation authority” or “allocation” that is distributed to each Local Public Authority (LPA). County funding is allocated in accordance with K.S.A. 68-402(b), and funding to cities is allocated based upon the proportion each cities population is to the total population of all eligible cities. Only cities outside urbanized areas with a population range between 5,000 to 199,999 are eligible for this funding. Cities with a population of 200,000 or greater fall within the urbanized classification and funding for these cities is outlined in the requirements in place for Metropolitan Planning Organizations (MPOs).

In addition to the funding re-

served solely for local construction that goes directly to cities and counties under IKE, there are other sources of funding for local projects. KDOT offers funding through partnership programs like the City Connecting Link Program (CCLIP), a partnership program between LPAs and KDOT. In this program, the state participates in a portion of the local project cost. CCLIP includes the KLINK Surface Preservation (K1R), the newly created KLINK Pavement Restoration (K2R), and the KLINK Geometric Improvement (K3R) subcategories. For more information about this program’s requirements, refer to the “Project Selection Criteria” section of this document or visit KDOT’s BLP webpage at <https://www.ksdot.gov/bureaus/bur-LocalProj/default.asp>.

A recently reinstated option available to LPAs is the Local Bridge Improvement (LBT) program, which was restored in 2020 and continued in IKE, the new state transportation program. This source of state funding is reserved for projects that address low volume roads with local bridges that are in disrepair.

A newly established program of funding is the Cost Share Program. In this program, KDOT provides state funding to LPAs for construction projects to improve safety and/or the overall transportation system in rural and urban areas. All transportation projects are eligible including roadway, rail, airport, bicycle/pedestrian, and public

transit. A minimum of 15 percent non-state match is usually required with additional consideration given for larger LPA commitments. More information about this program is available at the following link:

<https://www.ksdot.gov/CostShare/CostShareProgram.asp>

Finally, a very popular LPA funding option is the Federal Fund Exchange (FFE) program, which was implemented under T-WORKS and continues under IKE. This is a voluntary program and, by electing to participate in the FFE program, a Local Public Authority (LPA) agrees to trade all or a portion of their federal fund allocation in a specific federal fiscal year with KDOT in exchange for state transportation dollars or with another LPA in exchange for their local funds. Under this program, the LPA may utilize the funds in a project following its own procedures, criteria, and standards. All work performed shall be consistent with the Kansas Statutes, applicable regulations, and normal engineering practices. Any work performed on the state highway or city connecting link will require coordination with the local KDOT Area Office.

Only LPAs eligible to receive a federal fund allocation may participate in the Federal Fund Exchange program. Eligible LPAs include all counties in the state and cities with populations greater than 5,000 that are not located in a Transportation Management Area (TMA). Currently, the only TMAs in

Kansas are the Mid-America Regional Council (MARC – Kansas City Region) and the Wichita Area Metropolitan Planning Organization (WAMPO).

This optional program provides LPAs more flexibility when planning their programs and deciding how to fund them. Eligible LPAs may elect to exchange their federal funding, or they may use the funds to develop a federal-aid project following the established procedures. If exchanged, the exchange rate for the program is \$0.90 of state funds for every \$1.00 of local federal obligation authority exchanged. For more information about this program, visit KDOT’s Bureau of Local Projects website at the following link:

<https://www.ksdot.gov/bureaus/bur-LocalProj/default.asp>

STATE EXPENDITURES

Sources used to forecast expenditures are more varied than those used for revenues. Primary sources for expenditure forecasting are the agency’s budget and two computer information systems- the Comprehensive Program Management System (WinCPMS) and AASH-TOWare Project for Construction and Materials (AWP). These two computer systems are used to maintain program information and specific project and contract information. Data generated from these two computer programs was used to create the “FFY 2024-2027 Estimated Apportionments and Obligations” tables, the FFY 2024-2027 Project Index- Appendix A, Project Index

Summary-Appendix B, the Advance Construction Index- Appendix C, and aids in the generation of the expenditure information in the KDOT Cash-Flow.

Expenditures in the KDOT Cash-Flow may be divided into fixed costs and variable costs. Fixed costs represent the expense of KDOT's daily operation, as well as costs such as debt service and transfers to other agencies. Variable costs are expenses that change in proportion to the magnitude of the work being done. For KDOT, variable costs are those associated with the preservation, modernization, and expansion of the highway infrastructure, along with those associated with modal support. Specifically, in the Cash-Flow, the fixed costs are the following categories: from the Maintenance section- Regular Maintenance (state roads) and City Connecting Links (local roads); from the Construction section - Buildings; from the Local Support section- Agency Operations; from the Transportation Planning and Modal Support section- Agency Operations and Other Planning, along with Administration, and Debt Service. All other categories in the Cash-Flow are variable costs.

Following is a brief description of the expenditures in the Cash-Flow in the order of appearance beginning with the first section of expenditure- Maintenance.

Regular Maintenance, a fixed cost, is the first category under the Maintenance expenditure section of the Cash-Flow Worksheet. Regular Maintenance is defined as expenditures on equipment, staff salaries, and materials used in snow/ice removal, mowing, and minor roadway repairs necessary to preserve the State Highway System. This Cash-Flow Worksheet expenditure is a summation of four groups from the state budget: salary, contractual activities, commodities, and capital outlay. The *salary* portion is the budgeted amount for positions in SFY 2024 and for the years 2025-2027 are estimated based on growth rate. Included are the salaries for the district, area, and subarea maintenance personnel as well as some headquarter positions that provide policy and planning support. *Contractual activities* are the portion budgeted for equipment repair that exceeds the capabilities of the KDOT shops or repairs that are more cost effective to be contracted. The *commodities* portion represents the materials necessary to accomplish the work anticipated in SFY 2024 and SFY 2025-2027 are percentage estimates based upon projected inflation. This is a large and varied group composed of items such as fuels (including unleaded, ethanol, diesel), equipment repair parts, signing materials, motor oil, propane gas, rock salt, and traffic paint. *Capital outlay* is the last group included in regular maintenance and is for the purchase of heavy equipment to maintain the system, vehicles to transport per-

sonnel to work sites, shop tools, equipment and computers used in the support of these maintenance activities. Regular maintenance is typically done entirely by KDOT forces. The long-term projected need for this expense is calculated by inflating historical actual expenditures for the above four groupings using a standard inflation rate of 2.0 percent. In the Cash-Flow, the values for SFY 2024 are from the budget submittal, while SFY 2025, 2026 and 2027 are percentage estimates based upon projected inflation. Also included in this category are the expenses associated with the network of 76 communication towers KDOT operates across the state. Expenditures are for maintenance to keep the towers operational and for the purchase of 800 MHz digital trunked radio system to replace the current antiquated conventional MHz radio towers.

City Connecting Links is the second expense category under Maintenance. The expense associated with this activity is routine maintenance, in nature, that occurs on local roads. The expenditure is for payments from KDOT to Local Public Authorities (LPA) that have elected to maintain the City Connecting Links within their boundaries. Rather than KDOT, the LPAs oversee the maintenance of these roads and KDOT pays for a share of the cost of the maintenance. The expenditure for this category is calculated based on formula as outlined in state statute and is set at a rate of \$5,000 dollars per lane mile with a total estimated number of

city-connecting link miles of 1,120 miles.

Construction is the second category under expenditures and is divided into six categories of expense. The first three of these categories, **Preservation, Modernization, and Expansion and Enhancement**, are the anticipated construction work phase expenditures for KDOT projects and are the three ‘Core’ program groups KDOT uses to organize similar work. (For a discussion of the Core KDOT programs and subcategories within, refer to the preceding Project Selection Criteria narrative.) The expenditures for these three categories pertain to road system infrastructure on state roads. The expenditure amount for the unprogrammed portion of each category is determined by the current state program and estimated revenues from all sources. Project expenditures prior to letting are based on engineers’ estimates and the post construction letting expenditures are based on the encumbered construction contract amount and actual payments to contractors. As discussed previously, a new Cash-Flow line was not created for the Preservation Plus program. Instead, the expenditure for Preservation Plus unprogrammed dollars is included in the Preservation expenditure line of the Cash-Flow. As projects are developed where Preservation Plus is being utilized, the expenditure will move to whichever construction program is associated with the project, which may be

any of the Core programs of Preservation, Modernization, Modernization, Expansion or Local Construction.

The construction expenditure information presented here is provided at the project work phase level in Appendix A for projects KDOT has programmed. However, the total of the projects programmed will not equal the Cash-Flow Worksheet forecasts. There are four reasons for the difference:

- 1) The Cash-Flow Worksheet forecasts the entire program including the unprogrammed portion, while the Appendices only provide information about projects created and committed for some phase of work at the time of the STIP preparation (4-year period).
- 2) The Cash-Flow Worksheet includes projections for projects that have all work phases obligated and underway; these projects are not part of Appendix A, which only has those projects anticipated to have a phase obligate for the first time in the years of the STIP. Projects that have all phases obligated are dropped from STIP reporting and are tracked through different methods for FHWA.
- 3) The projects included in the forecast include KDOT let construction projects within MPO areas.
- 4) The Cash-Flow Worksheet is developed on the State Fiscal Year, which is from July 1 through June 30, while the STIP is based upon the Federal Fiscal Year which is from October 1 through September 30. This means that there are some differences in projects, revenues and expenditures captured by the two documents.

Construction engineering and preliminary engineering (CE & PE) categories are expenditures for the design aspect of KDOT projects on state roads. The expenses in this category are a combination of agency CE & PE work and projected contracted CE & PE work. For the agency engineering salary portion of the Cash-Flow Worksheet expenditure 2024 is taken directly from the budget and 2025-2027 are determined by applying a 2 percent inflation rate to the budgeted amounts. For the contracted CE & PE, estimates are provided by the Bureau of Design and are adjusted for inflation. In the Cash-Flow, CE and PE are grouped together, whereas, in Appendix A, the Project Index, PE & CE information is provided at the project level and in the manner that FHWA presents project information. CE costs are included with the Construction costs in the Appendices since this is how these costs are displayed by Federal Highway. PE expenditure is shown for each project in the appendices to reflect how PE is displayed by Federal Highway, while in

the Cash-Flow, PE and CE expense are combined.

Local Federal Aid expenditures, the fifth expenditure in the Construction section, concerns road infrastructure improvements on local roads. Specific project information programmed for LPAs during the STIP years is in the STIP appendices, except for those projects being completed by LPAs using the Federal Fund Exchange program. The expenditure estimated for the unprogrammed portion is determined by the current state program and estimated revenues from all sources. Project expenditures prior to letting are based on engineers' estimates and the post construction letting expenditures are based on the encumbered construction contract amount and actual payments to contractors. Since the initiation of the Federal Fund Exchange program, the number of LPA projects funded with federal dollars has diminished greatly. Currently, most LPAs elect to trade their federal funds with KDOT for state funds. For more information about the Federal Fund Exchange program, see the Project Selection Criteria section of this document and the following Local Support section of the Cash-Flow Worksheet Expenditure.

Buildings expense is the only fixed cost reported under the Construction section of the Cash-Flow Worksheet and is for the purchase, maintenance, and repair of KDOT-owned buildings. These buildings are located

throughout the state in the district, areas, and subareas of KDOT, and are used for offices, equipment storage and material storage. Estimates for this expenditure are from the Capital Improvement Plan, a five-year request adjusted each year to reflect the Governor's budget.

The expenditures in the Local Support grouping of the Cash-Flow Worksheet are for improvements on city or county roads. This section is composed of Agency Operations, Special City & County Highway Fund (SC&CHF), Local Partnership Programs, and the new Categorical Grants (which was formerly reported as part of the Local Partnership Program) categories.

The first two expense categories under Local Support, **Agency Operations and SC&CHF** are fixed costs. Agency Operations are for salaries for administrative and support personnel dedicated to the support of local planning activities. This expenditure is projected by growing the historical expenditures using an inflation rate of 2.0 percent. The SC&CHF expenditure is a pass through of funds designated for use by LPAs as directed by State law. Thus, although the funds are in the IKE transportation program, they are not KDOT's to use. The expenditure is based upon expected tax receipts and the disbursement is calculated and made by the State Treasurer.

The **Local Partnership Programs** category expenditure consists of the Pavement Restoration and Geometric Improvement expenditures. Pavement Restoration projects are designed to address severe deficiencies in road surface. Geometric Improvement projects are designed to address upgrades like pavement widenings, adding or widening shoulders, eliminating steep hills and/or sharp curves, and adding acceleration and deceleration lanes. The work involved with these projects encompasses more than maintenance, but unlike the construction group of expenditure categories, the work occurs on local roads. The expenditure for this category is determined based on where a project is in its life cycle. For the unprogrammed portion of this category, expenditure is determined by the current state program and estimated revenues from all sources (projects have not been created yet, so the dollars are not captured in the STIP appendices). The category expenditure portion related to projects selected and not yet let are based on engineers' estimates. This portion of the expenditure correlates to the projects listed in the STIP appendices. Finally, the portion of category expenditure associated with projects that are post construction letting is based on the encumbered construction contract amount and actual payments to contractors. (These projects are already obligated and underway and are not in the STIP document.)

The final category in the Local Support section is **Categorical Grants**, which report the KDOT funds being given to the LPAs under the Federal Fund Exchange program. The expense for this program was formerly included with the Local Partnership Program expenditure. However, since this expense is not directly related to work on roads but is rather a fixed cost for the exchange of cash for federal dollars, the expense has been broken out into its own category. The current exchange rate for this program is \$0.90/\$1.00. The expenditure amount is calculated based on this exchange rate and the number of LPAs who have entered into a fund exchange agreement with the State. For more information about this program visit the KDOT Bureau of Local Projects web at <https://www.ksdot.gov/bureaus/bur-localproj/default.asp>.

The Transportation Planning and Modal Support section of the Cash-Flow Worksheet focuses on the planning needed to meet the transportation needs of the state and the modal transportation forms such as transit, rail, and aviation. As with the **Agency Operations** category in Local Support section, this category of the Transportation Planning and Modal Support section comprises the salaries for the administration and support personnel dedicated to transportation planning functions and modal activities throughout the state. This is a fixed cost that is pro-

jected by growing the historical expenditures using an inflation rate of 2.0 percent.

KDOT categorizes the other modes into four groups - **Aviation, Public Transit, Rail, and Short Line Rail**. The expenditures for these four categories are for the ongoing activities and functions undertaken by KDOT throughout the state, from rail improvements to airport and runway expansion, repair, and maintenance to transit aid throughout the state. The funding for aviation, public transit and rail was increased under the T-WORKS program and this level of funding is maintained under IKE. The Short Line Rail expenditure is for a three-year funding program created under the IKE program to encourage the extension, rehabilitation, and maintenance of short line rail track throughout the state. The expenditures forecasted in the Cash-Flow Worksheet for the three modes are provided by the Division of Planning and Development and the Division of Aviation and are adjusted for inflation where applicable. While the modes are a part of the Cash-Flow Worksheet, except for public transit, the projects that compose the modal group are not represented in the STIP. The public transit mode is the only mode required to be reported in the STIP document. The public transit information is presented in its own narrative at the program level rather than the project level as the FTA has requested. Since the other modes are outside the “Core” programs required by federal law to be in the

STIP, and because the modes (except for public transit) do not receive federal funding from FHWA or FTA, they are not included in this document. The intent of this document is to meet the requirements for the STIP as outlined by federal law. To learn more about the modes in Kansas, visit the KDOT IKE web site <https://ike.ksdot.gov>.

The last category in the Transportation Planning and Modal Support section is **Other Planning**. This category is for the debt services related to the Transportation Revolving Fund and for federal expenses that do not pass through the State Highway Fund, such as the National Highway Traffic Safety Administration (NHTSA) and Federal Aviation Administration (FAA) expenses. The costs associated with this category are fixed in nature. Also, included in this section are the Broadband Infrastructure Fund, the Transportation Technology Development Fund, and the Driver’s Education Scholarship Fund expenditures. Three new non-road related fund programs created in the IKE program.

The last two sections under expenditures in the Cash-Flow Worksheet are **Administration and Debt Service**. Administration expenditure encompasses salaries for administrative and support personnel for the continued function of the agency and the daily operation costs such as utilities. The administration expenditure is a fixed cost projected by growing the historical expenditure using an inflation rate of 2.0

percent. **Debt Service** reflects the expense related to the repayment of highway bonds. Since the bonds are fixed rate, the expenditures are a fixed cost.

FISCAL CONSTRAINT

In accordance with 23 CFR 450.218(m), the STIP is required to be financially constrained by year, and this fiscal constraint must be demonstrated in the STIP. To be fiscally constrained by year, the demand on total available funding (state, federal and local) for each STIP year must not exceed the funding that is available for that year. To assure fiscal constraint, KDOT's OFAB maintain a Cash-Flow Worksheet that summarizes agency revenue and expenditure projections. The agency's most recent Cash-Flow Worksheet follows this discussion. The Cash-Flow Worksheet is reviewed and updated as needed at key times during the SFY:

- September during budget preparation,
- January after the Governor's budget is presented, as needed,
- May/June at the end of the legislative session, as needed,
- And as changes to programs and projects warrant.

The Cash-Flow Worksheet is projecting positive ending balances in all four years of the STIP, providing a reasonable expectation of fiscal constraint.

As discussed in this finance section, the sources of information and data used to compile and maintain the Cash-Flow Worksheet are many and varied. In addition to the methods already described, the OFAB uses a Cash-Flow computer system, Cash Availability and Forecasting Environment (CAFE). CAFE maintains the cash-flow data and models Cash-Flows in and out of the agency. CAFE is compatible with and interacts with KDOT's other computer systems, which greatly automates Cash-Flow modeling and allows project data from the project management system, WinCPMS, to be incorporated into the modeling. In addition, CAFE can store assumptions such as inflation factors for motor fuel taxes for use in modeling. CAFE allows for efficient and effective cash management by KDOT.

The Cash-Flow Worksheet forecasts all anticipated revenues (state, federal and local) and all anticipated expenditures in the next four years. The federal reimbursement estimates in the Cash-Flow Worksheet, while based on the level of federal funding KDOT expects to receive (the obligation limit) as outlined in the recently passed BIL, do not correlate exactly. Since federal aid is a reimbursement program, funds must be expended and then requests for reimbursement made. The federal reimbursement for the years of the cash-flow is composed of three parts: 1) underway projects with outstanding reimbursement expected to be received in

the 2024-2027 SFYs; 2) the reimbursement from new projects that are anticipated to obligate and reimburse in the four years of this STIP; 3) projects advanced constructed and anticipated to be converted in each of the four years. To estimate state and local revenues that will be available for the agency's use, KDOT uses information from both the CEG and the HREG. Whenever, the CEG and/or HREG issue revised information, usually in April, September, and November, KDOT reviews the new data to determine whether the new information continues to support current revenue projections in the Cash-Flow modeling. If KDOT's OFAB determines the new information warrants an adjustment to the state and local funding projections, then changes are made to CAFE and a revised Cash-Flow is generated. Likewise, as information changes in KDOT's project management system, these changes are incorporated automatically into CAFE since the two systems interact. Finally, the OFAB staff continually monitors and reviews the data relevant to revenue and expenditure. In this way, the Cash-Flow Worksheet generated from CAFE is timely and provides the information KDOT needs to be fiscally constrained.

KDOT Cash-Flow Worksheet

as of June 2023

All dollar amounts in \$1,000s – Dollar amounts may be rounded

KDOT - All Agency Funds

(\$000)	2024	2025	2026	2027	FY 2024-2027
	<u>1,012,514</u>	<u>801,071</u>	<u>794,862</u>	<u>409,778</u>	<u>1,012,514</u>
Resources					
Motor Fuel Taxes	459,968	459,968	459,968	459,968	1,839,872
Sales & Compensating Tax	741,222	758,248	783,354	802,399	3,085,223
Registration Fees	229,700	229,700	229,700	229,700	918,800
Drivers Licenses Fees	7,563	7,563	7,563	7,563	30,252
Special Vehicle Permits	5,592	5,592	5,592	5,592	22,368
Interest on Funds	12,299	9,732	4,468	1,990	28,489
Misc. Revenues	13,525	13,425	13,375	13,375	53,700
Transfers:	1,425	1,425	1,425	1,425	5,700
Motor Carrier Property Tax	-	-	-	-	-
Transfers Out	(128,846)	(124,253)	(126,605)	(129,005)	(508,709)
Subtotal	<u>1,342,448</u>	<u>1,361,400</u>	<u>1,378,840</u>	<u>1,393,007</u>	<u>5,475,695</u>
Federal and Local Construction Reimbursement					
Federal Reimbursement - SHF	492,000	428,000	435,400	443,000	1,798,400
Local Construction - Federal	80,303	72,905	80,240	71,856	305,304
Local Construction - Local	25,282	29,852	31,594	24,350	111,078
Miscellaneous Federal Aid	48,108	48,108	48,108	48,108	192,432
Subtotal Federal & Local	<u>645,693</u>	<u>578,865</u>	<u>595,342</u>	<u>587,314</u>	<u>2,407,214</u>
Total before Bonding	<u>1,988,141</u>	<u>1,940,265</u>	<u>1,974,182</u>	<u>1,980,321</u>	<u>7,882,909</u>
Bond Sales (par)	-	200,000	200,000	200,000	600,000
Issue Costs/Premium/Discount/Acc Int.	-	-	-	-	-
Net from Bond Sales:	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>600,000</u>
Net TRF Loan Transactions	<u>1,724</u>	<u>1,666</u>	<u>1,344</u>	<u>1,310</u>	<u>6,044</u>
TOTAL RECEIPTS	<u>1,989,865</u>	<u>2,141,931</u>	<u>2,175,526</u>	<u>2,181,631</u>	<u>8,488,953</u>
AVAILABLE RESOURCES	<u>3,002,379</u>	<u>2,943,002</u>	<u>2,970,388</u>	<u>2,591,409</u>	<u>9,501,467</u>

The following revenue estimates are currently being used:
April 2023 State Consensus Revenue Estimating Group
November 2022 Highway Revenue Estimating Group
Debt Service updated August 2022

KDOT Cash-Flow Worksheet

as of June 2023

All dollar amounts in \$1,000s – Dollar amounts may be rounded

	2024	2025	2026	2027	FY 2024-2027
Maintenance					
Regular Maintenance	167,340	170,671	174,069	177,534	689,614
City Connecting Links	5,600	5,600	5,600	5,600	22,400
Total Maintenance	172,940	176,271	179,669	183,134	712,014
Construction					
Preservation	629,136	656,622	597,781	603,173	2,486,712
Modernization	143,017	164,225	224,439	120,067	651,748
Expansion & Enhancements	442,868	355,376	761,560	601,833	2,161,637
CE & PE	66,487	67,749	69,037	70,351	273,624
Local Federal Aid Projects	117,127	120,198	104,824	103,024	445,173
Buildings	19,475	19,962	15,000	15,000	69,437
Total Construction	1,418,110	1,384,132	1,772,641	1,513,448	6,088,331
Local Support					
Agency Operations	2,634	2,687	2,741	2,796	10,858
SC&CHF	154,687	154,687	154,687	154,687	618,748
Local Partnership Programs	54,090	38,205	48,453	90,352	231,100
Categorical Grants	24,000	24,000	24,000	24,000	96,000
Other	-	-	-	-	-
Total Local Support	235,411	219,579	229,881	271,835	956,706
Transportation Planning & Modal Support					
Agency Operations	30,205	30,809	31,425	32,054	124,493
Aviation	11,567	10,552	10,194	10,068	42,381
Public Transit	66,254	59,108	59,108	59,108	243,578
Rail	15,019	12,133	11,063	10,669	48,884
Short line Rail	-	-	-	-	-
Other Planning	18,041	18,041	18,041	18,041	72,164
Total Planning & Modal Support	141,086	130,643	129,831	129,940	531,500
Administration					
	65,476	66,764	68,078	69,417	269,735
TOTAL before Debt Service	2,033,023	1,977,389	2,380,100	2,167,774	8,558,286
Debt Service	168,285	170,751	180,510	190,322	709,868
TOTAL EXPENDITURES	2,201,308	2,148,140	2,560,610	2,358,096	9,268,154
ENDING BALANCE	801,071	794,862	409,778	233,313	233,313
	2024	2025	2026	2027	FY 2024-2027

Required Ending Balances reflect:

1. Amounts required to satisfy bond debt service requirements.
2. Funds allocated by statute for distribution to specific programs.
3. An amount necessary to provide for orderly payment of agency bills.