

**PRELIMINARY  
MINUTES**

**BUILD KANSAS ADVISORY COMMITTEE**

August 30, 2023  
Room 548-S—Statehouse

**Members Present**

Senator Ty Masterson, Chairperson  
Representative Troy Waymaster, Vice-chairperson  
Senator J.R. Claeys  
Senator Usha Reddi  
Representative Shannon Francis  
Representative Henry Helgerson  
Representative Kyle Hoffman  
Representative Lindsay Vaughn

**Members Absent**

Senator Tim Shallenburger

**Staff Present**

Murl Riedel, Kansas Legislative Research Department  
Eric Adell, Kansas Legislative Research Department  
Chardae Caine, Kansas Legislative Research Department  
Jill Wolters, Office of Revisor of Statutes  
Nancy Fontaine, Committee Assistant

**Conferees**

Calvin Reed, Secretary of Transportation

**WEDNESDAY, AUGUST 30  
MORNING SESSION**

**Call to Order and Introductions**

The meeting was called to order by Chairperson Ty Masterson at 10:00 am on Wednesday, August 30, 2023, in room 548-S of the Statehouse. The Chairperson welcomed members, staff, and guests.

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Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

## Overview

Jill Wolters, First Assistant Revisor of Statutes, reviewed the provisions of enacted 2023 SB 25 concerning the newly created Build Kansas Matching Grant Fund, which is administered by the Office of the State Treasurer. She stated the provisions of the bill also established the Build Kansas Advisory Committee (BKAC), composed of nine members of the Legislature appointed by legislative leaders and the Governor. The BKAC has authority to meet during the legislative session and may meet by virtual means at any time. All applications requesting funding from the Build Kansas Matching Grant Fund must be submitted to BKAC for review and consultation after consideration by a state agency steering committee.

Ms. Wolters noted that in FY 2024, \$50.0 million from the State General Fund (SGF) is transferred to the fund and \$55.0 million SGF is transferred to the fund each year for FY 2025, FY 2026, and FY 2027. This provides a total of \$215.0 million to assist communities with matching funds when accessing funding through the federal Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law (BIL). The State Finance Council is authorized to approve adjustments to the annual transfers and unspent funds may carryover to the next fiscal year

Finally, Ms. Wolters reviewed project eligibility. She stated eligible projects include, but are not limited to, water, transportation, energy, cyber security and broadband infrastructure. Up to \$5.0 million per year from the fund may be used for operating expenses after FY 2024. The bill requires that funding be distributed across the entire state, with a goal that at least \$10.0 million be allocated to each of the eight economic districts defined by the Kansas Department of Commerce. The fund will be abolished on September 30, 2027, and any remaining funds will return to the SGF. Ms. Wolters responded to questions from Committee members. ([Attachment 1](#))

## Review of the Build Kansas Matching Grant Fund, Application Process, and Means Test

Calvin Reed, Secretary of Transportation, representing the Build Kansas Steering Committee and Infrastructure Hub, provided an overview of implementing the Build Kansas program. He stated the federal government generally requires that communities provide match funding when applying for federal dollars. Smaller communities often lack technical and financial resources to provide that match. The Build Kansas program will provide community benefit by merging federal programs with state and community resources. ([Attachment 2](#))

Next, Secretary Reed discussed federal funding. He stated the BIL provides \$1.2 trillion nationally for federal programs that cover many sectors of infrastructure. Funding is provided in two types. The first type is formula funding that is sent directly to states for defined purposes, which is 60.0 percent of the national total. The amount of formula funding apportioned to Kansas is \$3.8 billion, which is mostly for transportation projects. The remaining 40.0 percent of the national total is delivered through competitive grants. The Build Kansas program will help Kansas communities be more competitive when applying for these discretionary funds. BIL applies to many infrastructure sectors, projects, and recipients.

Concerning the Kansas Infrastructure Hub (Hub), Secretary Reed stated the Kansas Department of Transportation (KDOT) has been the lead agency for the Hub, which was created in

response to the BIL. The Hub is a subcabinet entity with members consisting of state agencies receiving formula funding from the BIL and a Hub advisory group made up of other public and private organizations. For the purposes of the Build Kansas program, the Infrastructure Hub would include the state agency steering committee referenced in 2023 SB 25.

Secretary Reed stated the Build Kansas program is designed to address critical local needs. A one-time state investment of \$215.0 million to the Build Kansas Matching Grant Fund covers the life of BIL, which is through FY 2027. Of that amount, \$5.0 million is authorized annually to be used for Infrastructure Hub staff and consultant support to identify needs, advise on grant opportunities, conduct reviews, and provide reports on state and federal dollars. The Infrastructure Hub does not have the resources to write grant applications on behalf of local entities, but it can provide guidance to the greatest extent possible. The average local match requirement for BIL programs is 20.0 percent, so the Build Kansas program could potentially leverage as much as \$800.0 million in federal funding for infrastructure projects in Kansas communities.

The guiding principles for the Build Kansas funding application process are to be simple, available to a wide group of eligible entities, flexible, and accountable and transparent. Secretary Reed continued by discussing the current application but indicated it may be adjusted if necessary. ([Attachment 3](#))

Secretary Reed also discussed the proposed means test, which is required by provisions of 2023 SB 25. He stated it involves the applicant certifying there are no other local funds, COVID-19 relief funds, or other federal funds readily available for the project. Further, the means test would involve applicants describing their efforts to seek other funds.

Next, Secretary Reed discussed the proposed process going forward, which is included in testimony submitted for this meeting. He stated the application from the local entity would be reviewed for completeness by Hub staff who would forward it to the Steering Committee. The Steering Committee would review and then, if approved, forward the application to the BKAC at which time the Office of the State Treasurer would be notified of the need to pre-obligate funds. Even if state funds are obligated, projects may not be approved at the federal level, so state funds will not be distributed until the federal grant is awarded. If an applicant is awarded state funds, but is not awarded federal funds, the state funds would be deobligated and made available for future applications.

Regarding applications, Secretary Reed stated the Hub anticipates that applications to the Build Kansas program will be submitted sporadically but must be submitted prior to applying to numerous federal programs with varying deadlines. The BKAC will need to be responsive when reviewing applications. Once the program is fully underway, a two-week period is expected for reviewing requests. Secretary Reed responded to questions from Committee members regarding means test suitability, eligibility of private entities as applicants, grant writing assistance, and equity of distribution. The Secretary stated the application would be made available to the public next week.

Chairperson Masterson indicated this is the initial meeting and the process is open for discussion and changes. Members were asked to submit specific concerns in writing.

Chairperson Masterson adjourned the meeting at 11:24 a.m.

Prepared by Nancy Fontaine  
Edited by Muriel Riedel

Approved by the Committee on:

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(Date)

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