

## LIMITED-SCOPE AUDIT PROPOSAL

### Reviewing the Kansas Department of Transportation's Response to Great Bend's Historic Dragstrip Cost Share Project

#### SOURCE

This audit proposal was requested by Senator Rick Wilborn.

#### BACKGROUND

The Legislature created the Kansas Department of Transportation (KDOT) Cost Share Program in 2019. The program provides funding to local communities for transportation projects such as highways, bridges, airports, and public transit projects. Communities are required to provide a local match of at least 15% to help fund projects.

KDOT and the local community where the project is located enter into an agreement to complete the project. The agreement includes the requirements and standards the project must meet. This includes a project plan that must be signed off on by a licensed engineer and requirements for local communities to maintain the project after its completion. It also includes financial penalties or clawback provisions KDOT can enforce if projects don't meet the requirements.

In October 2019, KDOT approved the City of Great Bend's application for a cost share project to reconstruct a high-speed dragstrip track and shutdown area. As the first dragstrip in the nation to hold a drag racing championship event, it is a Kansas Historical Site and is still actively used for races. The total cost of the project was \$1.6 million. KDOT paid 75% of the construction costs and Great Bend paid the remaining construction and related costs, such as the engineering costs. The dragstrip renovation was completed in May 2021.

The City of Great Bend owns the dragstrip track but until recently, the Sunflower Rod and Custom Association (SRCA), a volunteer organization, managed it. In April 2023, the SRCA announced it was canceling the racing season due to the poor quality of the dragstrip surface. According to news articles about the project, the dragstrip surface initially had multiple high spots that required grinding and polishing. The grinding of the dragstrip caused the sealant to crack and formed holes in the surface, which caused the surface to further deteriorate. The dragstrip remains closed in 2024.

Legislators have expressed concern that KDOT may not be taking adequate action to address the project's shortcomings.

#### AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

*The audit objective listed below is the question we would answer through our audit work. The steps listed for the objective convey the type of work we would do. These may change as we learn more about the audit issues.*

**Objective 1: What steps has the Kansas Department of Transportation taken to respond to shortcomings with the Great Bend Historic Dragstrip project?** Our tentative methodology would include the following:

- Review news articles, contracts, and other documentation and talk to KDOT, Great Bend, and SCRA officials as needed to identify the major, high-level deliverables for the dragstrip project. This also would include general information about how the responsibilities for administering and overseeing the project were split between KDOT and Great Bend.
- Review available documentation to determine what high-level deliverables were actually produced through the project and the subsequent timeline of events since the project's completion. Compare the expected and actual deliverables and identify any major shortcomings.
- Review contracts to identify what steps KDOT is authorized to take to address any identified issues. Talk to KDOT officials to understand their knowledge of and perspective on the major issues and to determine what actions KDOT has taken to address the issues. This would include their enforcement of city maintenance requirements and clawback provisions. If they have not taken steps they could have, talk to KDOT officials about why not. Also talk to them about any steps they have taken or plan to take to ensure the dragstrip is operational for future racing seasons. This work would not include an evaluation of the City of Great Bend's actions or detailed technical requirements associated with the project.

#### **ESTIMATED RESOURCES**

We estimate this audit would require **100 staff hours** to complete.