



# TRANSPORTATION INVESTMENT FUND CAPACITY PROGRAM

INFRASTRUCTURE AND GENERAL GOVERNMENT APPROPRIATIONS SUBCOMMITTEE  
STAFF: MARK BLEAZARD AND GARY RICKS

BUDGET BRIEF

## SUMMARY

The Transportation Investment Fund Capacity Program enables the Department to manage highway capacity construction programs that were previously designated Centennial Highway Fund, Critical Needs Highway Fund, and Transportation Investment Fund of 2005 as one program. This allows the Department to develop new capacity highways from the design stage through their completion without switching back and forth between line items for accounting tracking purposes.

## ISSUES AND RECOMMENDATIONS

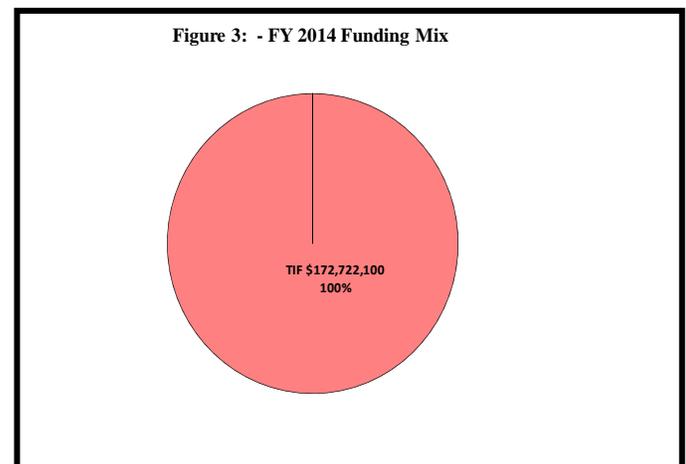
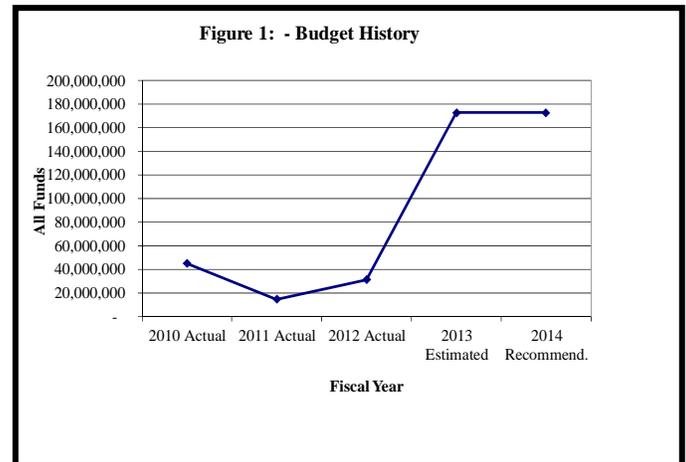
### **Base Budget**

The Analyst recommends a base budget for the Transportation Investment Fund Capacity Program line item for FY 2014 of \$172,722,100.

### **Transportation Investment Fund Capacity Program**

The Centennial Highway Fund (CHF) was created by action of the Legislature during the 1996 General Session to segregate increased highway construction funding from the regular ongoing funding revenues of the Department of Transportation. The Legislature created revenue sources to fund forty-one new capacity projects costing \$3.268 billion. Those projects were completed in 2011, however the primary funding sources of sales taxes and gas taxes statutorily still flowed into the CHF.

The Transportation Investment Fund of 2005 (TIF) was created during the 2005 General Session of the Legislature under Title 72-2-124. General Fund appropriations were the original funding sources for the Transportation Investment Fund of 2005 and were designated to be used by the Department to pay the costs of maintenance, construction, reconstruction, or renovation to state and federal highways prioritized by the Transportation Commission through the prioritization process for new transportation capacity projects. The Legislature amended the governing statutes of the Centennial Highway Fund, Critical Highway Needs Fund and Transportation Fund of 2005 to allow ongoing revenues from CHF and CHNF not being used for projects or repayment of bonding for those projects to flow into the TIF. With that action the Legislature authorized three major construction projects costing \$2.2 billion. December 2012 is the estimated completion of those projects.



TRANSPORTATION INVESTMENT FUND CAPACITY PROGRAM

Action of the Legislature during the 2007 General Session created the Critical Highway Needs Fund (CHNF). The legislation designated an additional portion of the sales taxes be dedicated to fund thirty-two highway projects at a cost of \$1.199 billion. Those projects were completed in FY 2012 and the funding sources were to continue to flow into the CHNF.

Legislative insight to identify needed highway capacity improvements and create funding sources for the CHF, CHNF and TIF has improved or created one hundred thirty-one Utah highways at a cost of \$7.261 billion since 1996.

As the projects designated for each of these three programs were completed and the earmarked funding sources started to flow from CHF and CHNF into the TIF, the Legislature saw reasons to streamline the accounting, oversight of bond repayments and future construction projects from the three existing programs into the transportation Investment Fund Capacity Program.

Senate Bill 225 "Transportation Revisions" was enacted during the 2012 General Session. The statute consolidates the revenue streams from the Centennial Highway Program, the Critical Highway Needs Fund, and the Transportation Fund of 2005 into the Transportation Fund of 2005 and creates the Transportation Investment Fund Capacity Program. Enactment of this legislation will enhance transparency of revenue and expenditures for highway capacity programs of the Department of Transportation.

**Intent Language**

The following intent language was included with the appropriations bills during the 2012 General Session of the Legislature. The Analyst is in the opinion that these intent statements are being followed by the Department.

*It is the intent of the Legislature that the Department of Transportation provide \$2,000,000 of the funds appropriated from the Transportation Investment Funds of 2005 to Tooele City for roads around the Utah State University campus.*

**BUDGET DETAIL**

The base budget for the Transportation Investment Fund Capacity Program line item is in the amount of \$172,722,100. Total funding of \$172,722,100 is from the Transportation Investment Fund of 2005.

Transportation - Transportation Investment Fund Capacity Program						
Sources of Finance	FY 2012 Actual	FY 2013 Appropriated	Changes	FY 2013 Revised	Changes	FY 2014*
						Recommended
Transportation Investment Fund of 2005	31,061,500	172,722,100	172,722,100	172,722,100	0	172,722,100
<b>Total</b>	<b>\$31,061,500</b>	<b>\$172,722,100</b>	<b>\$172,722,100</b>	<b>\$172,722,100</b>	<b>\$0</b>	<b>\$172,722,100</b>
<b>Programs</b>						
Transportation Investment Fund Capacity	31,061,500	172,722,100	172,722,100	172,722,100	0	172,722,100
<b>Total</b>	<b>\$31,061,500</b>	<b>\$172,722,100</b>	<b>\$172,722,100</b>	<b>\$172,722,100</b>	<b>\$0</b>	<b>\$172,722,100</b>
<b>Categories of Expenditure</b>						
Capital Outlay	31,061,500	172,722,100	172,722,100	172,722,100	0	172,722,100
<b>Total</b>	<b>\$31,061,500</b>	<b>\$172,722,100</b>	<b>\$172,722,100</b>	<b>\$172,722,100</b>	<b>\$0</b>	<b>\$172,722,100</b>

**LEGISLATIVE ACTION**

The Analyst recommends the Legislature:

1. Adopt the base budget of \$172,722,100 as shown in the budget detail table.