



TRANSPORTATION INVESTMENT FUND CAPACITY PROGRAM APPROPRIATIONS

INFRASTRUCTURE AND GENERAL GOVERNMENT
STAFF: MARK BLEAZARD AND GARY RICKS

ISSUE BRIEF 1

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 the appropriation to the Transportation Investment Fund Capacity Program line item include the revenue transferred to the Transportation Investment Fund of 2005 less the amount required for debt service. That amount for the FY 2014 base budget is \$172,722,100.

Transportation Investment Fund Capacity Program

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.

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 one 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.

Previous appropriations to the TIF Capacity Program included all collected revenues in the Transportation Investment Fund of 2005. All of those revenues were then appropriated to the Transportation Investment Fund Capacity Program. Expenditures from those revenues included debt service and cash available for projects. An additional appropriation was also made from the Transportation Investment Fund of 2005 to the debt service line item. These transactions were determined to violate the Generally Accepted Accounting Practices (GAAP) because of doubling the debt service amounts into two different line items in the appropriations bills.

TRANSPORTATION INVESTMENT FUND CAPACITY PROGRAM

To correct this error in GAAP standards the analyst recommends the Legislature transfer all revenues collected for expenditure in the Transportation Investment Fund Capacity Program as designated in HB 6 “Infrastructure and General Government Base Budget” into the Transportation Investment Fund of 2005 as shown below.

TRANSPORTATION

ITEM 33 To Transportation - Transportation Investment Fund of 2005

From Transportation Fund	76,633,600
From Licenses/Fees	75,276,700
From Designated Sales Tax	346,122,400
From Revenue Transfers	6,000,000

Schedule of Programs:

Transportation Investment Fund	504,032,700
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The analyst then recommends appropriations of funds now in the Transportation Investment Fund of 2005 to the two appropriation units shown below, which are also part of House Bill 6 “Infrastructure and General Government Base Budget”.

ITEM 12 To Transportation - Transportation Investment Fund Capacity Program

From Transportation Investment Fund of 2005	172,722,100
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Schedule of Programs:

Transportation Investment Fund Capacity Program	172,722,100
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STATE BOARD OF BONDING COMMISSIONERS - DEBT SERVICE

ITEM 26 To State Board of Bonding Commissioners - Debt Service - Debt Service

From General Fund	54,599,700
From Education Fund	17,164,300
From Transportation Investment Fund of 2005	331,310,600
From Federal Funds	16,999,900
From Dedicated Credits Revenue	23,700,000
From County of First Class State Hwy Fund	21,870,400
From Beginning Nonlapsing Appropriation Balances	8,247,200
From Closing Nonlapsing Appropriation Balances	(58,483,600)

Schedule of Programs:

Debt Service	415,408,500
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The appropriation of \$172,722,100 to the TIF Capacity Program and the \$331,310,600 to Debt Service now expends only the total revenue available that is initially estimated to flow into the TIF of 2005. The analyst recommends the Legislature appropriate future revenues that flow into the Transportation Investment Fund of 2005 in the same manner as the items shown above from House Bill 6, “Infrastructure and General Government Base Budget.”