

# Budget Brief – Construction Management

**SUMMARY**

The Construction Program enables the Department to manage the projects from the design stage through their completion without switching back and forth between line items for accounting and tracking purposes. The functions of this line item are separated as programs within the line item as Rehabilitation / Preservation, Federal Construction-New, and State Construction-New.

**ISSUES AND RECOMMENDATIONS**

The base budget for the Construction Management Division of the Department of Transportation line item for FY 2007 is \$182,051,900. This includes funding for three programs within the line item, including Rehabilitation / Preservation, Federal Construction-New, and State Construction-New.

**Rehabilitation/Preservation**

The Rehabilitation/Preservation program is one of the largest recommended appropriations of any program at the Department of Transportation. Over \$52 million will be available for highway rehabilitation projects based on Utah Code Section 72-2-106 UCA, which states that two/elevenths of the taxes collected from the motor fuel tax and the special fuel tax, exclusive of the formula amount appropriated to the Class B and C Road Account will be used for highway rehabilitation. The actual amount available will depend upon the total collection of motor fuel and special fuel taxes collected during the fiscal year. The balance of funding for the Rehabilitation/Preservation Program is \$68,665,200 from Federal Funds.

Some of the major activities in the Rehabilitation/Preservation budget are the traffic control program, the betterment program, and the reconstruction program.

Total program base budget funding for this program is \$120,299,800.

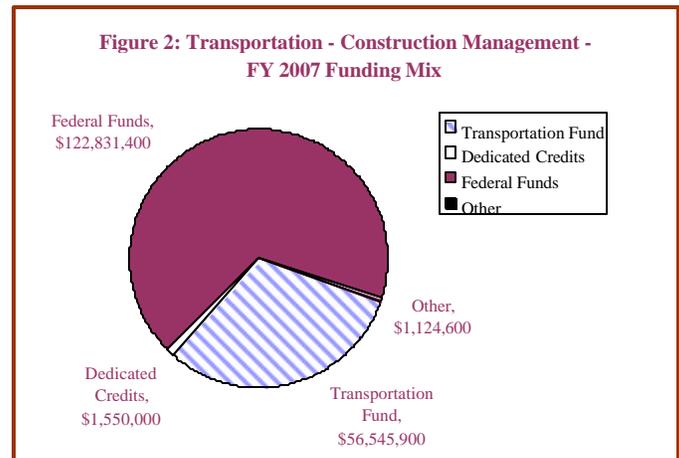
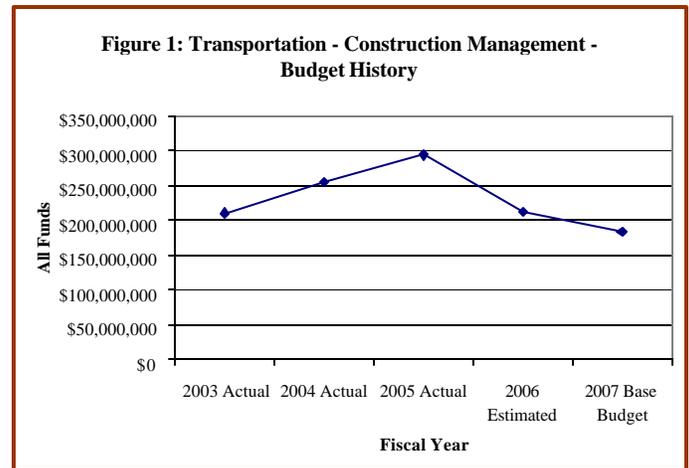
**Federal Construction-New**

The Federal Construction-New portion of the Construction budget includes funds for the interstate system and other federally sponsored highways. The interstate highway network in Utah is part of the 42,500 mile National System of Interstate and Defense Highways.

During recent years, the Utah Department of Transportation has seen the reconstruction and capacity increasing projects on the federal system as a high priority use for this program.

The base budget for FY 2007 for this program is \$60,227,500.

**State Construction-New**



The State Construction-New program is responsible for the construction of state highway projects that have prioritized importance as necessary highways but might not be eligible for federal funding. An example of projects that are considered in the State Construction-New budget is the Bangerter Highway.

The FY 2007 base budget recommendation for State Construction-New is \$1,524,600.

**BUDGET DETAIL**

<b>Transportation - Construction Management</b>						
<b>Sources of Finance</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Appropriated</b>	<b>Changes</b>	<b>FY 2006 Revised</b>	<b>Changes</b>	<b>FY 2007* Base Budget</b>
Transportation Fund	104,617,700	56,545,900	0	56,545,900	0	56,545,900
Transportation Investment Fund	0	30,000,000	0	30,000,000	(30,000,000)	0
Federal Funds	176,490,900	111,267,900	10,986,900	122,254,800	576,600	122,831,400
Dedicated Credits Revenue	11,190,900	1,550,000	0	1,550,000	0	1,550,000
Trust and Agency Funds	20,000	0	0	0	0	0
Designated Sales Tax	1,124,600	1,124,600	0	1,124,600	0	1,124,600
Transfers - Within Agency	(42,200)	0	0	0	0	0
<b>Total</b>	<b>\$293,401,900</b>	<b>\$200,488,400</b>	<b>\$10,986,900</b>	<b>\$211,475,300</b>	<b>(\$29,423,400)</b>	<b>\$182,051,900</b>
<b>Programs</b>						
Federal Construction - New	129,481,100	48,664,000	10,986,900	59,650,900	576,600	60,227,500
Rehabilitation/Preservation	199,692,800	120,299,800	0	120,299,800	0	120,299,800
State Construction - New	(35,772,000)	31,524,600	0	31,524,600	(30,000,000)	1,524,600
<b>Total</b>	<b>\$293,401,900</b>	<b>\$200,488,400</b>	<b>\$10,986,900</b>	<b>\$211,475,300</b>	<b>(\$29,423,400)</b>	<b>\$182,051,900</b>
<b>Categories of Expenditure</b>						
Current Expense	42,781,300	31,172,100	(309,600)	30,862,500	0	30,862,500
DP Current Expense	649,800	0	0	0	0	0
Capital Outlay	244,879,700	169,316,300	10,340,200	179,656,500	(29,423,400)	150,233,100
Other Charges/Pass Thru	5,091,100	0	956,300	956,300	0	956,300
<b>Total</b>	<b>\$293,401,900</b>	<b>\$200,488,400</b>	<b>\$10,986,900</b>	<b>\$211,475,300</b>	<b>(\$29,423,400)</b>	<b>\$182,051,900</b>

\*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

The base budget for the Construction Management line item is in the amount of \$182,051,900. Of this amount \$56,545,900 is from the Transportation Fund, \$122,831,400 from Federal Funds, \$1,550,000 is from Dedicated Credits, and \$1,124,600 from Designated Sales Tax required from provisions of Title 59-12-103 UCA that appropriates \$562,300 to State Park access roads and \$562,300 to corridor preservation. This appropriation covers the budgets of Rehabilitation / Preservation, Federal Construction-New, and State Construction-New.

**LEGISLATIVE ACTION**

The Base Budget Bill includes a base budget for FY 2007 for the Construction Management line item in the amount of \$182,051,900.