

FY 2009 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 2009 is \$347,175,200. This includes funding for three programs within the line item, including Rehabilitation / Preservation, Federal Construction-New, State Construction-New, and Transportation Investment Fund.

Rehabilitation/Preservation

The Rehabilitation/Preservation program is one of the largest recommended appropriations of any program at the Department of Transportation.

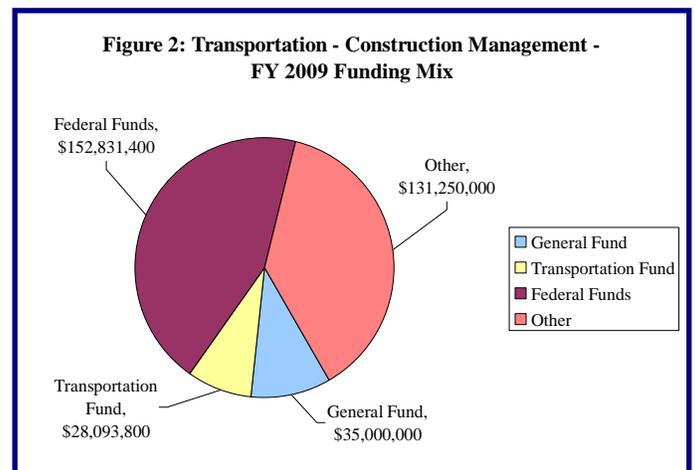
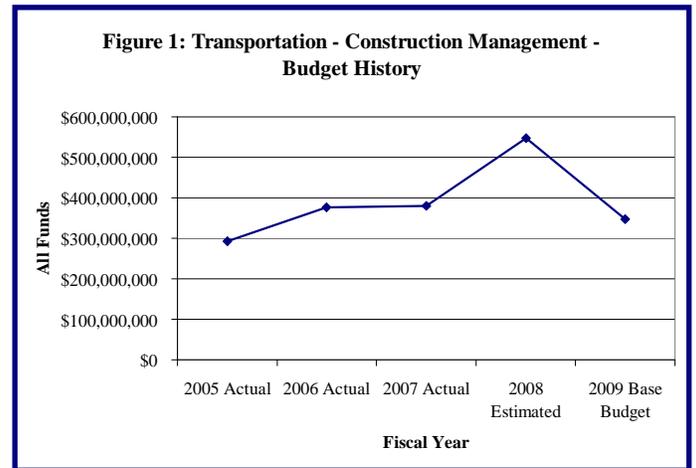
Utah Code Section 72-2-106 UCA states that two/elevenths of the taxes collected from the motor fuel tax and the special fuel tax, exclusive of the formula amount appropriated to the Class B and C Road Account will be used for highway rehabilitation. The actual amount available will depend upon the total collection of motor fuel and special fuel taxes collected during the fiscal year.

To meet requirements of this statute it would require an appropriation of \$61.4 million from the Transportation Fund. The recommended Transportation Fund appropriation is \$22,282,500. That appropriation plus \$68,665,200 from Federal Funds and \$23,575,400 from Designated Sales Tax easily meets the total revenue requirements of the statute.

The Legislature might want to either amend the statute or adjust Transportation Fund appropriations in other line items to meet compliance with the statute.

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 \$114,523,100.



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 2009 for this program is \$91,527,500.

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 base budget for FY 2009 is \$36,124,600.

Transportation Investment Fund

The Transportation Investment Fund was created with enactment of House Bill 1008 from the First Special Session of 2005. The Department of Transportation programs projects from this fund that will add new transportation capacity to Utah highways.

The FY 2009 base budget recommendation for Transportation Investment Fund is \$105,000,000.

Total Construction Management Base Budget

The base budget for the Construction Management line item is in the amount of \$347,175,200. Of this amount \$35,000,000 is from the General Fund, \$28,093,800 is from the Transportation Fund, \$152,831,400 from Federal Funds, \$1,550,000 is from Dedicated Credits, \$105,000,000 from the Transportation Investment Fund, and \$24,700,000 from Designated Sales Tax. This appropriation covers the budgets of Rehabilitation / Preservation, Federal Construction-New, State Construction-New, and the Transportation Investment Fund.

LEGISLATIVE ACTION

The Base Budget Bill includes a base budget for FY 2009 for the Construction Management line item in the amount of \$347,175,200.

BUDGET DETAIL

Transportation - Construction Management						
Sources of Finance	FY 2007 Actual	FY 2008 Appropriated	Changes	FY 2008 Revised	Changes	FY 2009* Base Budget
General Fund	35,000,000	35,000,000	0	35,000,000	0	35,000,000
General Fund, One-time	0	100,000,000	0	100,000,000	(100,000,000)	0
Transportation Fund	117,445,900	28,093,800	0	28,093,800	0	28,093,800
Transportation Investment Fund of 2005	55,000,000	105,000,000	0	105,000,000	0	105,000,000
Federal Funds	231,060,700	152,831,400	0	152,831,400	0	152,831,400
Dedicated Credits Revenue	23,886,100	1,550,000	0	1,550,000	0	1,550,000
Designated Sales Tax	1,122,100	24,700,000	90,000,000	114,700,000	(90,000,000)	24,700,000
Transfers - Within Agency	0	0	0	0	0	0
Beginning Nonlapsing	0	0	10,000,000	10,000,000	(10,000,000)	0
Closing Nonlapsing	(10,000,000)	0	0	0	0	0
Lapsing Balance	(74,144,500)	0	0	0	0	0
Total	\$379,370,300	\$447,175,200	\$100,000,000	\$547,175,200	(\$200,000,000)	\$347,175,200
Programs						
Federal Construction - New	66,560,000	60,227,500	41,300,000	101,527,500	(10,000,000)	91,527,500
Rehabilitation/Preservation	221,688,200	114,523,100	0	114,523,100	0	114,523,100
State Construction - New	36,122,100	167,424,600	58,700,000	226,124,600	(190,000,000)	36,124,600
Transportation Investment Fund of 2005	55,000,000	105,000,000	0	105,000,000	0	105,000,000
Total	\$379,370,300	\$447,175,200	\$100,000,000	\$547,175,200	(\$200,000,000)	\$347,175,200
Categories of Expenditure						
Out of State Travel	2,300	0	0	0	0	0
Current Expense	42,339,400	32,475,400	(3,814,100)	28,661,300	0	28,661,300
DP Current Expense	93,200	0	0	0	0	0
Capital Outlay	336,935,400	414,699,800	103,814,100	518,513,900	(200,000,000)	318,513,900
Total	\$379,370,300	\$447,175,200	\$100,000,000	\$547,175,200	(\$200,000,000)	\$347,175,200
Other Data						

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