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 form 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.
### Transportation - Construction Management

<table>
<thead>
<tr>
<th>Sources of Finance</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>Changes</th>
<th>FY 2008</th>
<th>Changes</th>
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<td>$100,000,000</td>
<td>$547,175,200</td>
<td>($200,000,000)</td>
<td>$347,175,200</td>
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</table>

**Programs**

- Federal Construction - New: $66,560,000 to $60,227,500, $41,300,000, $101,527,500, (10,000,000), $91,527,500
- Rehabilitation/Preservation: $221,688,200 to $114,523,100, $0, $14,523,100, 0, $14,523,100
- State Construction - New: $36,122,100 to $167,424,600, $58,700,000, $226,124,600, (190,000,000), $36,124,600
- Transportation Investment Fund of 2005: $55,000,000 to $105,000,000, $0, $105,000,000, 0, $105,000,000

**Total**

- $379,370,300 to $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
- Current Expense: $42,339,400 to $32,475,400, (9,863,900), $28,661,300, 0, $28,661,300
- DP Current Expense: $93,200, 0, 0, 0, 0
- Capital Outlay: $336,935,400 to $414,699,800, $77,764,400, $518,513,900, (200,000,000), $318,513,900

**Total**

- $379,370,300 to $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.