



CONSTRUCTION MANAGEMENT

TRANSPORTATION, ENVIRONMENTAL QUALITY, NATIONAL GUARD, AND VETERANS' AFFAIRS
 APPROPRIATIONS SUBCOMMITTEE
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BUDGET BRIEF

SUMMARY

The Construction Management 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 2011 is \$262,624,400. 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

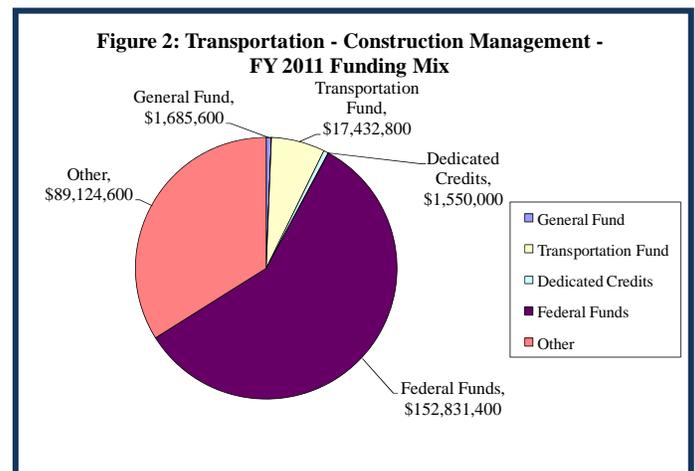
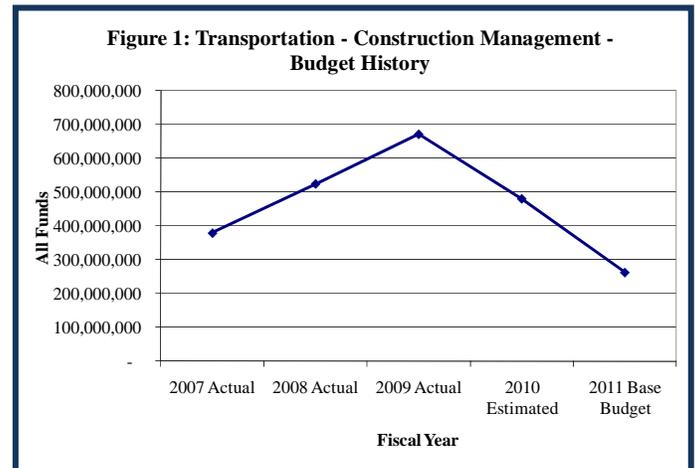
The Rehabilitation/Preservation program is one of the largest recommended appropriations of any program at the Department of Transportation.

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 \$52.1 million from the Transportation Fund. The recommended Transportation Fund appropriation is \$14,384,600. That appropriation plus \$68,665,200 from Federal Funds and \$25,000,000 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 \$108,049,800.



Federal Construction-New

The Federal Construction-New portion of the Construction Management 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 2011 for this program is \$85,716,200.

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 2011 is \$5,858,400.

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 2011 base budget recommendation for Transportation Investment Fund is \$63,000,000.

Total Construction Management Base Budget

The base budget for the Construction Management line item is in the amount of \$262,624,400. Of this amount \$1,685,600 is from the General Fund, \$17,432,800 is from the Transportation Fund, \$152,831,400 from Federal Funds, \$1,550,000 is from Dedicated Credits, \$63,000,000 from the Transportation Investment Fund, and \$25,000,000 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 Executive Appropriations Committee adopted FY 2011 General and Education Fund Revenue estimates that are 98% of the original FY 2010 ongoing appropriations. The FY base budget bills (SB 1 and HB 1) reduce appropriations for all line items and programs proportionately to match revenues. However, the Executive Appropriations Committee allocated 95% of original FY 2010 ongoing appropriations to each subcommittee and directed the subcommittees to compile a list of options equal to a 5% ongoing cut. The Executive Appropriations Committee will use these options to make final adjustments to the FY 2011 budget.

The Analyst recommends the Legislature consider:

1. A base budget for Construction Management of \$262,624,400 that includes 98% of the FY 2010 ongoing General Fund amount of \$1,685,600.
2. An additional 3% reduction of the FY 2010 ongoing General Fund budget equaling \$51,600. For a total Construction Management budget of \$262,538,400.

BUDGET DETAIL

Transportation - Construction Management						
Sources of Finance	FY 2009 Actual	FY 2010 Appropriated	Changes	FY 2010 Revised	Changes	FY 2011* Base Budget
General Fund	29,690,000	1,720,000	0	1,720,000	(34,400)	1,685,600
General Fund, One-time	2,610,000	(1,000,000)	0	(1,000,000)	1,000,000	0
Transportation Fund	104,319,000	17,432,800	0	17,432,800	0	17,432,800
Transportation Investment Fund of 200:	60,365,800	63,000,000	0	63,000,000	0	63,000,000
TIF of 2005, One-time	32,569,400	0	0	0	0	0
Federal Funds	292,445,000	152,831,400	217,940,900	370,772,300	(217,940,900)	152,831,400
Dedicated Credits Revenue	127,836,000	1,550,000	26,124,600	27,674,600	(26,124,600)	1,550,000
Trust and Agency Funds	1,500,000	0	0	0	0	0
Designated Sales Tax	1,142,200	26,124,600	(24,982,400)	1,142,200	24,982,400	26,124,600
Transfers - Within Agency	(1,142,200)	0	0	0	0	0
Beginning Nonlapsing	19,835,000	0	0	0	0	0
Total	\$671,170,200	\$261,658,800	\$219,083,100	\$480,741,900	(\$218,117,500)	\$262,624,400
Programs						
Federal Construction - New	331,531,900	85,716,200	222,113,700	307,829,900	(222,113,700)	85,716,200
Rehabilitation/Preservation	213,260,900	108,049,800	0	108,049,800	0	108,049,800
State Construction - New	33,442,200	4,892,800	(3,030,600)	1,862,200	3,996,200	5,858,400
Transportation Investment Fund of 200:	92,935,200	63,000,000	0	63,000,000	0	63,000,000
Total	\$671,170,200	\$261,658,800	\$219,083,100	\$480,741,900	(\$218,117,500)	\$262,624,400
Categories of Expenditure						
Personnel Services	603,600	652,800	(652,800)	0	0	0
In-state Travel	9,800	20,000	(20,000)	0	0	0
Out-of-state Travel	600	0	0	0	0	0
Current Expense	54,453,200	26,459,500	(12,074,900)	14,384,600	(14,384,600)	0
DP Current Expense	249,500	16,200	(16,200)	0	0	0
Capital Outlay	612,017,500	234,510,300	231,847,000	466,357,300	(203,732,900)	262,624,400
Other Charges/Pass Thru	3,836,000	0	0	0	0	0
Total	\$671,170,200	\$261,658,800	\$219,083,100	\$480,741,900	(\$218,117,500)	\$262,624,400

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