

CONSTRUCTION MANAGEMENT

INFRASTRUCTURE AND GENERAL GOVERNMENT APPROPRIATIONS SUBCOMMITTEE
STAFF: MARK BLEAZARD AND GARY RICKS

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

Base Budget

The Analyst recommends a base budget for the Construction Management Division line item for FY 2014 of \$222,737,700. This includes funding the Rehabilitation/Preservation and Federal Construction-New Programs.

Rehabilitation/Preservation

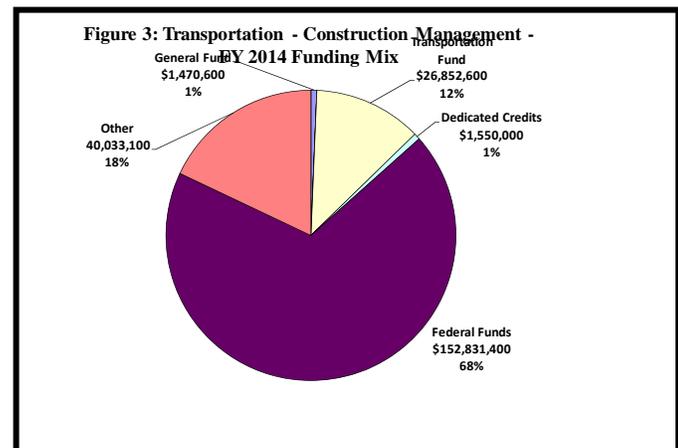
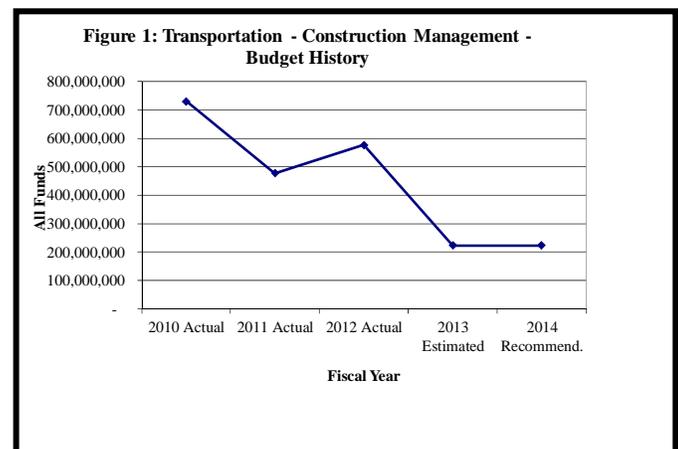
The Rehabilitation/Preservation program is one of the largest recommended appropriations of any program at the Department of Transportation.

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 \$42.7 million from the Transportation Fund. The recommended Transportation Fund appropriation is \$21,532,200. That appropriation plus \$68,665,200 from Federal Funds 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 Transportation Fund 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 for FY 2014 is \$90,197,400.



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 2014 for this program is \$132,540,400.

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.

No base budget funding for this program is recommended for FY 2014.

Intent Language

The following intent language was included with the appropriations bills during the 2012 General Session of the Legislature. The Analyst is in the opinion that these intent statements are being followed by the Department. This intent language will also be recommended for FY 2014 and will be included in a subsequent appropriations bill:

There is appropriated to the Department of Transportation from the Transportation Fund, not otherwise appropriated, a sum sufficient, but not more than the surplus of the Transportation Fund, to be used by the Department for the construction, rehabilitation, and preservation of State highways in Utah. It is the intent of the Legislature that the appropriation fund first, a maximum participation with the federal government for the construction of federally designated highways, as provided by law, and last the construction of State highways, as funding permits. No portion of the money appropriated by this item shall be used either directly or indirectly to enhance or increase the appropriations otherwise made by this act to the Department of Transportation for other purposes.

BUDGET DETAIL

The base budget for the Construction Management line item is in the amount of \$222,737,700. Of this amount \$1,470,600 is from the General Fund, \$26,852,600 is from the Transportation Fund, \$152,831,400 from Federal Funds, \$1,550,000 is from Dedicated Credits, and \$40,033,100 from Designated Sales Tax. This appropriation covers the budgets of Rehabilitation / Preservation, Federal Construction-New.

Transportation - Construction Management						
Sources of Finance	FY 2012 Actual	FY 2013 Appropriated	Changes	FY 2013 Revised	Changes	FY 2014* Recommended
General Fund	1,470,600	1,470,600	0	1,470,600	0	1,470,600
General Fund, One-time	1,600,000	0	0	0	0	0
Transportation Fund	70,083,600	26,852,600	0	26,852,600	0	26,852,600
Federal Funds	431,855,600	152,831,400	0	152,831,400	0	152,831,400
Dedicated Credits Revenue	35,986,700	1,550,000	0	1,550,000	0	1,550,000
Designated Sales Tax	37,822,500	40,033,100	0	40,033,100	0	40,033,100
Lapsing Balance	(1,820,100)	0	0	0	0	0
Total	\$576,998,900	\$222,737,700	\$0	\$222,737,700	\$0	\$222,737,700
Programs						
Federal Construction - New	194,250,400	132,540,300	0	132,540,300	0	132,540,300
Rehabilitation/Preservation	380,409,800	90,197,400	0	90,197,400	0	90,197,400
State Construction - New	2,338,700	0	0	0	0	0
Total	\$576,998,900	\$222,737,700	\$0	\$222,737,700	\$0	\$222,737,700
Categories of Expenditure						
Current Expense	0	(877,400)	877,400	0	0	0
DP Current Expense	0	400	(400)	0	0	0
Capital Outlay	576,998,900	223,614,700	(877,000)	222,737,700	0	222,737,700
Total	\$576,998,900	\$222,737,700	\$0	\$222,737,700	\$0	\$222,737,700

LEGISLATIVE ACTION

The Analyst recommends the Legislature:

1. Adopt the base budget of \$222,737,700 as shown in the budget detail table
2. Approve the intent language on page 2.