TRANSPORTATION

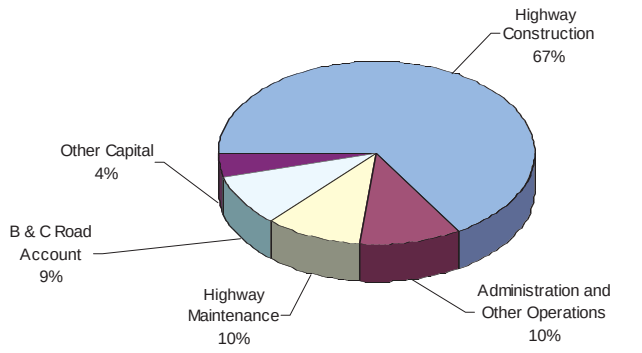
Carson Howell, Analyst

AGENCY BUDGET OVERVIEW

TRANSPORTATION

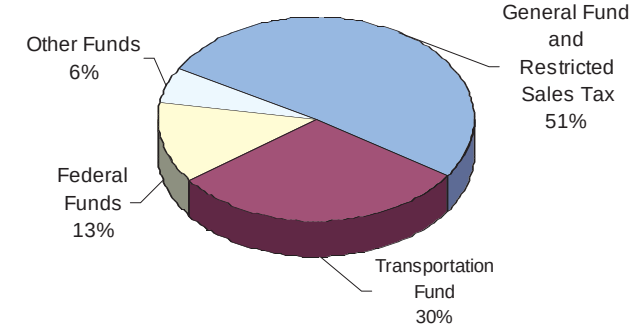
Mission: *Build and maintain the State's transportation system, plan and implement new highway projects, improve pavement conditions on existing roads, and assure highway safety through appropriate design and maintenance*

Where Will My Taxes and Fees Go for Transportation?
(Total FY 2008 Funding is $1,275,068,900)



**Includes funding for capital projects*

Financing of Transportation
(Based on FY 2008 Recommendations)



**Includes funding for capital projects*

MAJOR ACCOMPLISHMENTS AND SERVICES

Maintain the current road system
- Maintains, repairs, and operates the state highway system consisting of over 6,000 miles of highways
- Manages the state highway system that serves over 70 percent of all vehicle miles traveled in Utah
- Preserves the highway system by applying treatments and other technologies to pavement extending its lifetime
- Preserves bridges through routine inspections, sealing treatments and deck pavement projects
- Maintains highways through plowing snow, maintaining drainage, improving roadway markings (striping/signs), pothole patching, and guardrail repair

Improve the highway system
- Maximizes traffic efficiency through intelligent transportation systems that include the Traffic Operations Center, cameras along the roadways, congestion detectors in the highways, weather sensors, and ramp meters at freeway interchanges
- Provides traveler information through the 511 system, a free travel information phone number that offers statewide updates on traffic, winter road conditions, and public transit
- Operates incident management teams that patrol Utah's roadways offering help to motorists in distress and aiding the highway patrol by managing traffic when accidents occur
- Removes snow and deploys over 130 snowplows along the Wasatch Front during a major snowstorm. Uses anti-icing methods to prevent black ice and snow-packed conditions

Increase highway safety
- Improves roadway safety through public awareness campaigns, improved design, high-visibility signs, rumble strips, new paint striping technologies, intersection improvements, and maintenance safety activities

Expand highway capacity
- Build the Legacy Parkway project to manage traffic between Davis and Salt Lake counties

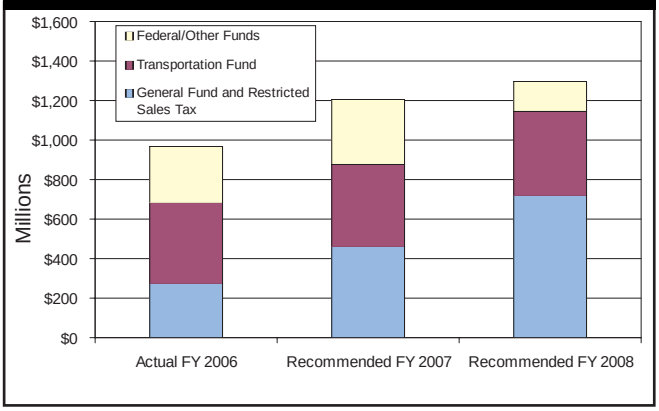
Recommendations: Governor's Goals and Initiatives

(See itemized table for full list of recommendations)

Maintain roadway conditions at suitable quality levels

- Increase maintenance funding to offset rising material costs with $3,806,500 ongoing Transportation Fund
- Perform routine maintenance activities and snow removal on 406 additional lane miles that will be added to the state system during FY 2007 with $1,545,200 ongoing Transportation Fund
- Start a new bridge replacement program that will ensure the safety and quality of bridges using $20,000,000 one-time and $20,000,000 ongoing General Fund

Changes in Funding for Transportation

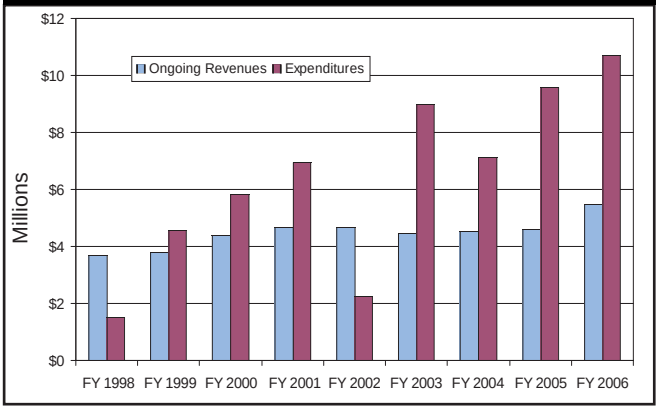


Preserve highway corridors before development occurs

- Increase funding in the Corridor Preservation Fund with $20,000,000 one-time and $20,000,000 ongoing General Fund; this will enhance the department's ability to preserve corridors before homes and businesses are built, saving the State hundreds of millions of dollars

Corridor Preservation Fund

Ongoing Revenues versus Expenditures by Fiscal Year

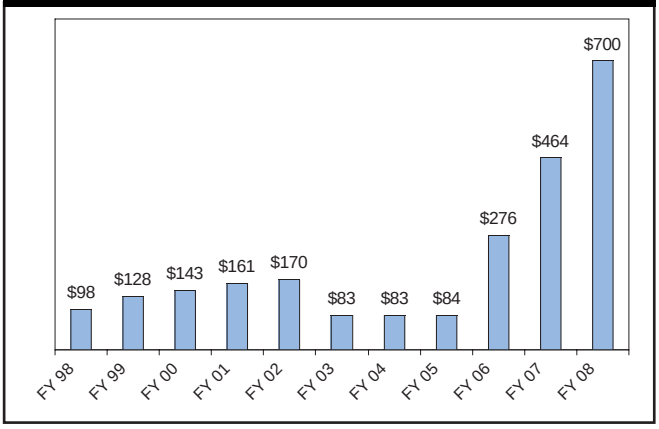


Address capacity and safety conditions

- Construct a number of congestion-relief and/or safety projects throughout the State with $70,000,000 one-time and $30,000,000 ongoing General Fund
- Continue building Centennial Highway projects with $250,000,000 one-time General Fund

General Fund and Earmarked Sales Tax for Roads

In Millions of Dollars



Proposed Legislative Intent Language

FY 2007 Proposed Legislative Intent

- If funds are available, Support Services is authorized to not lapse up to $200,000 for software development.
- If funds are available, Engineering Services is authorized to not lapse up to $200,000 for engineering services.
- If funds are available, Region Management is authorized to not lapse up to $200,000 for region management.
- Funds appropriated for equipment purchases are nonlapsing.
- Funds appropriated to Maintenance Management are nonlapsing.
- Funds appropriated for one-time data processing are nonlapsing.
- A portion of the funds appropriated in the 2006 3rd Special Session House Bill 3001, *Technical Reallocation of Transportation Funding* (Bigelow) is used for corridor preservation to be placed in the Transportation Corridor Preservation Revolving Loan Fund. A portion of those monies shall be used for a match program with local governments and private entities and be placed in the Local Transportation Corridor Fund.

FY 2008 Proposed Legislative Intent

- Any surplus in the Transportation Fund not otherwise appropriated may be used by the department for the construction, rehabilitation, and preservation of state highways in Utah. The appropriation shall fund: first, a maximum participation with the federal government for the construction of federally designated highways as provided by law; next, the rehabilitation and preservation of state highways as provided by law; and last, the construction of state highways as funding permits.
- The number of full-time equivalents (FTEs) for field crews may be adjusted to accommodate the increase or decrease in the federal construction program. No portion of the money appropriated by this item shall be used either directly or indirectly to enhance or increase appropriations made to the department for other purposes.
- All collections or cash income from the sale or salvage of land and buildings are to be lapsed to the Transportation Fund.
- Funds appropriated for sidewalk construction are nonlapsing.
- Funds appropriated from the Transportation Fund for pedestrian safety projects shall be used specifically to correct pedestrian hazards on state highways. Local authorities shall be encouraged to participate in the construction of pedestrian safety devices.
- Local participation in the Sidewalk Construction Program shall be 75 percent state and 25 percent local match. If local governments cannot use their allocation of Sidewalk Safety Funds in two years, those funds will be available for other governmental entities which are prepared to use the resources.
- Funds appropriated from the Federal Mineral Lease Account shall be used for improvement or reconstruction of highways that have been heavily impacted by energy development and are nonlapsing.
- Private industries engaged in developing the State's natural resources shall be encouraged to participate in the construction of highways leading to their facilities.
- If funds are available, Aeronautics is authorized to not lapse up to $200,000 for airport construction.

TRANSPORTATION

Operating Budget

	Actual FY 2006	Authorized FY 2007	Governor Huntsman's Recommendations: Supple-mentals	Recommended FY 2007	Base FY 2008	Ongoing and One-time Adj.	Total FY 2008
Plan of Financing							
General Fund	$88,100	$1,728,100	$0	$1,728,100	$88,100	$140,000	$228,100
Transportation Fund	166,714,200	179,325,000	166,700	179,491,700	176,681,700	16,439,500	193,121,200
Federal Funds	60,042,600	42,689,200	0	42,689,200	42,689,200	0	42,689,200
Dedicated Credits	28,928,600	16,592,000	73,400	16,665,400	16,592,000	1,073,400	17,665,400
Restricted and Trust Funds	7,350,700	6,810,100	0	6,810,100	6,812,900	62,200	6,875,100
Beginning Balances	500,000	1,207,500	0	1,207,500	0	0	0
Closing Balances	(1,207,500)	0	0	0	0	0	0
Lapsing Funds	(4,332,300)	0	0	0	0	0	0
Total Financing	**$258,084,400**	**$248,351,900**	**$240,100**	**$248,592,000**	**$242,863,900**	**$17,715,100**	**$260,579,000**
Programs							
Transportation							
Support Services	$25,754,400	$29,434,200	$134,700	$29,568,900	$27,028,000	$3,207,100	$30,235,100
Engineering Services	34,679,600	29,897,100	(13,000)	29,884,100	28,769,400	937,700	29,707,100
Maintenance Management	103,696,800	119,335,700	(2,100)	119,333,600	118,201,800	11,265,900	129,467,700
Region District Management	23,563,200	25,298,000	(12,100)	25,285,900	24,558,100	1,081,600	25,639,700
Equipment Management	27,791,200	17,193,200	132,600	17,325,800	17,110,100	1,180,800	18,290,900
Aeronautics	42,599,200	27,193,700	0	27,193,700	27,196,500	42,000	27,238,500
Total Budget	**$258,084,400**	**$248,351,900**	**$240,100**	**$248,592,000**	**$242,863,900**	**$17,715,100**	**$260,579,000**
% Change from Authorized FY 2007 to Total FY 2008							**4.9%**
FTE Positions	--	1,658.5	0.0	1,658.5	1,658.5	0.0	1,658.5

TRANSPORTATION

Capital Budget

	Actual FY 2006	Authorized FY 2007	Governor Huntsman's Recommendations: Supple-mentals	Recommended FY 2007	Base FY 2008	Ongoing and One-time Adj.	Total FY 2008
Plan of Financing							
General Fund	$120,000,000	$291,000,000	$0	$291,000,000	$90,000,000	$430,000,000	$520,000,000
Transportation Fund	242,720,300	233,223,300	0	233,223,300	234,173,800	2,000,000	236,173,800
Federal Funds	262,142,900	176,831,400	0	176,831,400	137,844,500	0	137,844,500
Dedicated Credits	17,851,600	1,550,000	0	1,550,000	1,550,000	0	1,550,000
Mineral Lease	53,361,200	51,659,800	0	51,659,800	53,428,000	0	53,428,000
Restricted and Trust Funds	105,424,700	211,650,700	0	211,650,700	220,411,700	0	220,411,700
Transfers	(120,393,400)	(122,322,400)	0	(122,322,400)	(127,675,200)	0	(127,675,200)
Beginning Balances	174,005,200	145,364,900	0	145,364,900	32,855,100	0	32,855,100
Closing Balances	(145,364,900)	(32,855,100)	0	(32,855,100)	(60,098,000)	0	(60,098,000)
Total Financing	**$709,747,600**	**$956,102,600**	**$0**	**$956,102,600**	**$582,489,900**	**$432,000,000**	**$1,014,489,900**
Projects							
Construction	$376,486,200	$372,951,900	$0	$372,951,900	$272,951,900	$180,000,000	$452,951,900
Sidewalk Construction	387,500	2,375,100	0	2,375,100	500,000	0	500,000
B&C Road Account	114,762,900	120,013,800	0	120,013,800	120,013,800	0	120,013,800
Maintenance Sheds	0	1,200,000	0	1,200,000	0	2,000,000	2,000,000
Centennial Highway Fund	164,749,800	407,902,000	0	407,902,000	135,596,200	250,000,000	385,596,200
Mineral Lease Programs	53,361,200	51,659,800	0	51,659,800	53,428,000	0	53,428,000
Transportation Investment Fund	0	0	0	0	0	0	0
Total Budget	**$709,747,600**	**$956,102,600**	**$0**	**$956,102,600**	**$582,489,900**	**$432,000,000**	**$1,014,489,900**
% Change from Authorized FY 2007 to Total FY 2008							**6.1%**

CENTENNIAL HIGHWAY FUND
(In Millions of Dollars)

	Annual Funding Available	Through FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Total
1	Beginning Balance	$0.0	$64.0	$305.4	$320.3	$216.9	$172.1	$143.3	$32.8	$60.0	
2	General Fund	557.0	146.0	59.6	59.6	59.6	90.0	201.0	250.0	0.0	**$1,422.7**
3	General Fund I-15 Savings Transfer	0.0	(21.2)	(10.8)	0.0	0.0	0.0	0.0	0.0	0.0	**(32.0)**
4	General Fund Sales Tax (1/64 cent)	8.2	4.9	4.8	4.6	5.5	6.3	6.4	6.4	6.6	**53.7**
5	General Fund Sales Tax (2005 Legislature)	0.0	0.0	0.0	0.0	0.0	59.6	0.0	0.0	0.0	**59.6**
6	General Fund Sales Tax - 8.3% (2006 Legislature)	0.0	0.0	0.0	0.0	0.0	0.0	164.7	173.0	178.2	**515.9**
7	Transit Tax Revenue	0.0	0.9	6.2	2.4	1.2	1.2	0.0	0.0	0.0	**12.0**
8	Transportation Funds - Gas Tax 5.5 Cents	230.6	61.8	63.7	65.6	67.6	69.6	1.7	73.8	76.0	**710.4**
9	Department Contribution	31.4	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	**79.4**
10	Registration Fee Increase	65.5	18.1	18.7	19.6	20.4	21.5	20.6	22.2	22.9	**229.5**
11	Investment Income	52.3	2.9	5.4	2.8	3.1	2.8	1.2	0.0	0.0	**70.5**
12	General Obligation Bonds Issued	908.0	277.8	95.3	0.0	47.0	0.0	0.0	0.0	0.0	**1,328.1**
13	Premiums on Bonds Issued	18.9	11.2	14.0	31.9	4.7	0.0	0.0	0.0	0.0	**80.7**
14	Less: Issuance Costs	(3.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**(3.5)**
15	Less: Debt Service - Interest/Fees	(151.2)	(51.5)	(51.3)	(52.9)	(53.2)	(48.8)	(46.8)	(42.3)	(37.5)	**(535.5)**
16	Less: Debt Service - Principal	0.0	(33.8)	(35.6)	(79.7)	(74.3)	(77.6)	(81.5)	(91.4)	(99.1)	**(572.9)**
17	Federal Sources	231.0	46.9	34.8	42.3	20.5	5.4	24.0	15.0	0.0	**420.0**
18	Local Governments	15.3	(8.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**6.9**
19	Olympic Maintenance	15.3	(15.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
20	**Total Annual Funding Available**	**$1,978.6**	**$510.4**	**$516.2**	**$422.5**	**$325.2**	**$308.1**	**$440.6**	**$445.6**	**$213.1**	**$3,845.5**
	Project Expenditures										
21	I-15 Project Costs	$1,523.1	$22.0	$3.1	$4.6	$1.2	($3.9)	$7.9	$0.0	$0.0	**$1,558.0**
22	Other Projects	391.5	183.0	192.8	201.0	151.8	168.7	400.0	385.6	188.4	**2,262.8**
23	**Total Project Expenditures**	**$1,914.6**	**$205.0**	**$196.0**	**$205.5**	**$153.0**	**$164.8**	**$407.9**	**$385.6**	**$188.4**	**$3,820.8**
24	**Ending Balance**	**$64.0**	**$305.4**	**$320.3**	**$216.9**	**$172.1**	**$143.3**	**$32.8**	**$60.0**	**$24.7**	
25	**Bond Debt Outstanding**	**$908.0**	**$1,152.0**	**$1,105.9**	**$1,132.1**	**$1,104.8**	**$1,027.2**	**$945.7**	**$854.3**	**$755.2**	

Notes to Row Numbers

(3) Savings from the I-15 project transferred to General Fund

(4) Sales tax generated by the 1/64 cent tax rate that previously went to the Sports Authority Special Revenue Fund - estimated growth rate is 5.0 percent per year

(5) Sales tax dedicated to the Centennial Highway Fund Restricted Account through passage of House Bill 1008, Transportation Investment Act *(Lockhart), in the 2005 First Special Session*

(6) Sales tax dedicated to the Centennial Highway Fund Restricted Account through passage of House Bill 112, Transportation Investment Act *(Lockhart), in the 2006 General Session*

(7) Portion of a quarter of the 1/4 cent transit tax increase passed by Salt Lake County voters in the 2000 General Election

(8) Transportation revenues from fuel tax increase passed in the 1997 General Session - estimated growth rate is 3.0 percent per year
The Legislature passed House Bill 3001, Technical Reallocation of Transportation Funding *(Bigelow), in the 2006 3rd Special Session. For FY 2007, this bill reallocated $70 million Transportation Fund and $30 million federal funds to Construction Management and replaced this reallocation with $100 million General Fund.*

(10) Transportation revenues from auto and truck registration fee increase passed in the 1997 General Session

Note: Minor differences on table are due to rounding numbers to the nearest million

TRANSPORTATION

		General Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
TRANSPORTATION FY 2008 OPERATING BUDGET								
	Beginning Base Budget							
Q1	FY 2007 appropriated budget	$1,728,100	$179,325,000	$42,689,200	$16,592,000	$6,810,100	$0	$247,144,400
Q2	Adjustments for one-time FY 2007 appropriations	(1,640,000)	(3,000,000)	0	0	0	0	(4,640,000)
Q3	Adjustments for extra working day	0	356,700	0	0	2,800	0	359,500
	Total Beginning Base Budget - Transportation	**88,100**	**176,681,700**	**42,689,200**	**16,592,000**	**6,812,900**	**0**	**242,863,900**
	Statewide Ongoing Adjustments							
Q4	Cost-of-living adjustments of 3.5%	0	3,381,000	0	0	28,400	0	3,409,400
Q5	Discretionary salary increase	0	2,415,000	0	0	20,200	0	2,435,200
Q6	General services internal service fund adjustments	0	(66,500)	0	0	500	0	(66,000)
Q7	Technology services internal service fund adjustments	0	178,200	0	73,400	300	0	251,900
Q8	Health insurance rate adjustments	0	1,670,900	0	0	12,100	0	1,683,000
Q9	Term. pool and unemployment insurance rate adjustments	0	85,200	0	0	700	0	85,900
	Subtotal Statewide Ongoing Adjustments - Transportation	*0*	*7,663,800*	*0*	*73,400*	*62,200*	*0*	*7,799,400*
	Ongoing Adjustments							
	Maintenance Management							
Q10	Traffic signals and systems	0	3,349,000	0	0	0	0	3,349,000
Q11	Extra lane mile maintenance	0	1,545,200	0	0	0	0	1,545,200
Q12	Rest area contract	0	75,000	0	0	0	0	75,000
Q13	Petroleum based material cost increases	0	3,806,500	0	0	0	0	3,806,500
Q14	Equipment purchases	0	0	0	1,000,000	0	0	1,000,000
	Subtotal Ongoing Adjustments - Transportation	*0*	*8,775,700*	*0*	*1,000,000*	*0*	*0*	*9,775,700*
	One-time Adjustments							
	Support Services							
Q15	Regional Council and Mountainlands AOG	140,000	0	0	0	0	0	140,000
	Subtotal One-time Adjustments - Transportation	*140,000*	*0*	*0*	*0*	*0*	*0*	*140,000*
	Total FY 2008 Transportation Adjustments	**140,000**	**16,439,500**	**0**	**1,073,400**	**62,200**	**0**	**17,715,100**
Total FY 2008 Transportation Operating Budget		**$228,100**	**$193,121,200**	**$42,689,200**	**$17,665,400**	**$6,875,100**	**$0**	**$260,579,000**
TRANSPORTATION FY 2007 OPERATING BUDGET ADJUSTMENTS								
	Supplemental Adjustments							
	Department							
Q16	Technology services internal service fund adjustments	$0	$166,700	$0	$73,400	$0	$0	$240,100
	Subtotal Supplemental Adjustments - Transportation	*0*	*166,700*	*0*	*73,400*	*0*	*0*	*240,100*
Total FY 2007 Transportation Budget Adjustments		**$0**	**$166,700**	**$0**	**$73,400**	**$0**	**$0**	**$240,100**

TRANSPORTATION - CONTINUED

		General Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
TRANSPORTATION FY 2008 CAPITAL BUDGET								
	Base Budget							
Q17	FY 2007 appropriated budget	$291,000,000	$233,223,300	$153,210,400	$2,888,000	$196,182,700	($32,908,600)	$843,595,800
Q18	Adjustments for one-time FY 2007 appropriations	(201,000,000)	0	0	0	0	0	(201,000,000)
Q19	Adjustments to funding levels	0	950,500	(15,365,900)	(1,338,000)	24,229,000	(68,581,500)	(60,105,900)
	Total FY 2008 Transportation Capital Base Budget	**90,000,000**	**234,173,800**	**137,844,500**	**1,550,000**	**220,411,700**	**(101,490,100)**	**582,489,900**
	Ongoing Adjustments							
	Construction Management							
Q20	Corridor Preservation	20,000,000	0	0	0	0	0	20,000,000
Q21	Bridge replacement program	20,000,000	0	0	0	0	0	20,000,000
Q22	Choke point and safety projects	30,000,000	0	0	0	0	0	30,000,000
	Subtotal Ongoing Capital Adjustments - Transportation	*70,000,000*	*0*	*0*	*0*	*0*	*0*	*70,000,000*
	One-time Adjustments							
	Centennial Highway Program							
Q23	Centennial Highway Program projects	250,000,000	0	0	0	0	0	250,000,000
	Construction Management							
Q24	Corridor Preservation	20,000,000	0	0	0	0	0	20,000,000
Q25	Choke point and safety projects	70,000,000	0	0	0	0	0	70,000,000
Q26	Bridge replacement program	20,000,000	0	0	0	0	0	20,000,000
	Maintenance Sheds							
Q27	Panguitch Maintenance Station	0	2,000,000	0	0	0	0	2,000,000
	Subtotal One-time Capital Adjustments - Transportation	*360,000,000*	*2,000,000*	*0*	*0*	*0*	*0*	*362,000,000*
	Total FY 2008 Transportation Capital Adjustments	**430,000,000**	**2,000,000**	**0**	**0**	**0**	**0**	**432,000,000**
Total FY 2008 Transportation Capital Budget		**$520,000,000**	**$236,173,800**	**$137,844,500**	**$1,550,000**	**$220,411,700**	**($101,490,100)**	**$1,014,489,900**
TRANSPORTATION TOTALS								
FY 2008 Operating Base Budget		$88,100	$176,681,700	$42,689,200	$16,592,000	$6,812,900	$0	$242,863,900
FY 2008 Operating Ongoing and One-time Adjustments		140,000	16,439,500	0	1,073,400	62,200	0	17,715,100
FY 2008 Operating Recommendation		228,100	193,121,200	42,689,200	17,665,400	6,875,100	0	260,579,000
FY 2007 Operating Adjustments		0	166,700	0	73,400	0	0	240,100
FY 2008 Capital Base Budget		90,000,000	234,173,800	137,844,500	1,550,000	220,411,700	(101,490,100)	582,489,900
FY 2008 Capital Ongoing and One-time Adjustments		430,000,000	2,000,000	0	0	0	0	432,000,000
FY 2008 Capital Recommendation		520,000,000	236,173,800	137,844,500	1,550,000	220,411,700	(101,490,100)	1,014,489,900