TRANSPORTATION

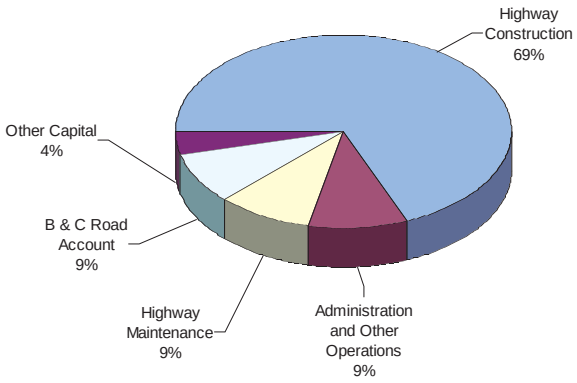
Carson Howell, Analyst

AGENCY BUDGET OVERVIEW

TRANSPORTATION

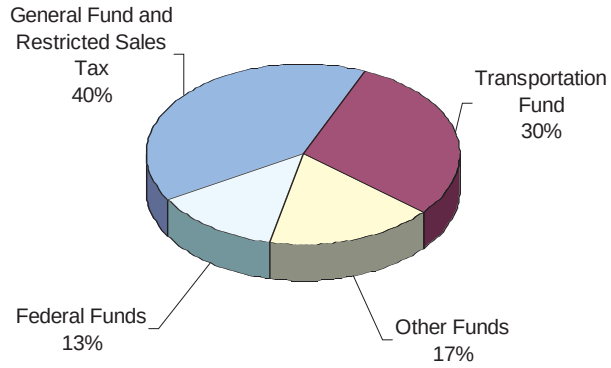
Mission: *Build and maintain the State's transportation system, plan and implement new highway projects, improve pavement conditions on existing roads, and assure highway safety through appropriate design and maintenance*

Where Will My Taxes and Fees Go for Transportation?
(Total FY 2009 Funding is $1,488,356,200)



Includes funding for capital projects

Financing of Transportation
(Based on FY 2009 Recommendations)



Includes funding for capital projects

MAJOR ACCOMPLISHMENTS, SERVICES, AND GOALS

Maintain the current road system
- Maintains, repairs, and operates the state highway system consisting of about 6,000 miles of highways
- Manages the state highway system that serves around 70 percent of all vehicle miles traveled in Utah
- Preserves the highway system by applying treatments and other technologies to the 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 more than 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 $2,348,400 ongoing Transportation Fund
- Purchase additional vehicles for maintenance activities and snow removal on 430 additional lane miles that will be added to the state system during FY 2009 with $2,977,600 one-time Transportation Fund
- Provide funding for the bridge replacement program to ensure the safety and quality of bridges using $20,000,000 ongoing and $50,000,000 one-time General Fund

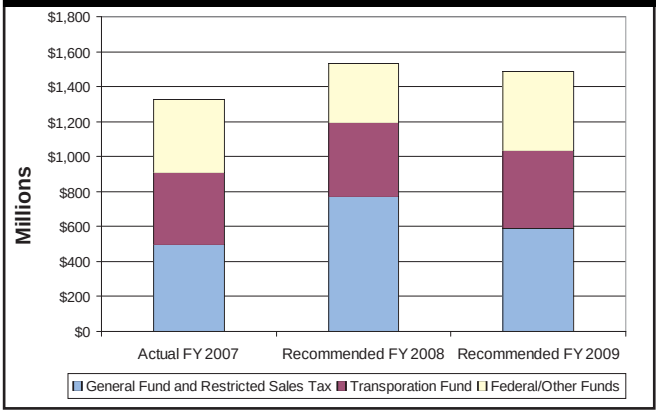
Preserve highway corridors before development occurs

- Enhance the department's ability to preserve corridors before homes and businesses are built, saving the State hundreds of millions of dollars, with $30,000,000 one-time General Fund

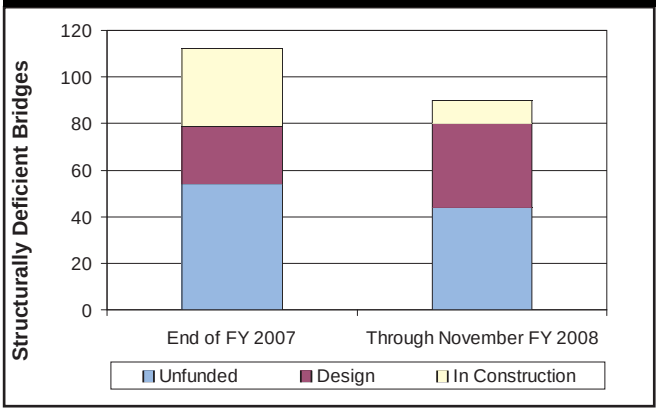
Address capacity and safety conditions

- Construct a number of choke point or safety projects throughout the State with $80,000,000 one-time General Fund
- Address the need for large congestion-relief projects with $40,000,000 one-time General Fund

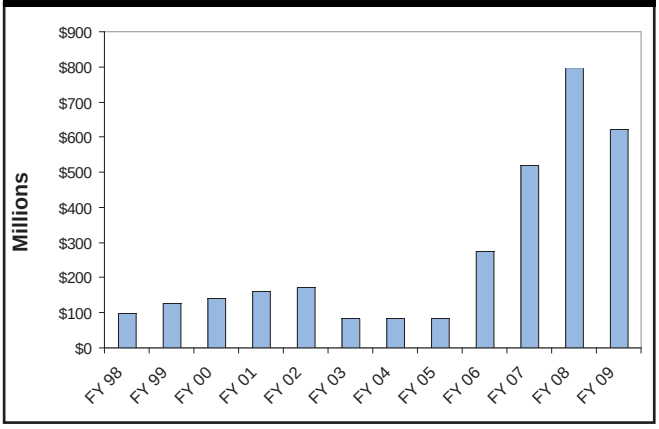
Changes in Funding for Transportation



Critical Bridges Before and After FY 2008 Bridge Replacement Additional Funds



General Fund and Earmarked Sales Tax for Roads
in Millions of Dollars



Proposed Legislative Intent Language

FY 2008 Proposed Legislative Intent

- Support Services is authorized to not lapse up to $200,000 for software development.
- Engineering Services is authorized to not lapse up to $200,000 for engineering services.
- Region Management is authorized to not lapse up to $200,000 for region management.
- Funds appropriated to Equipment Management are nonlapsing.
- Funds appropriated to Maintenance Management are nonlapsing.
- 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; 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 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.

FY 2009 Proposed Legislative Intent

- 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 are nonlapsing and shall be used for improvement or reconstruction of highways that have been heavily impacted by energy development.
- Private industries engaged in developing the State's natural resources shall be encouraged to participate in the construction of highways leading to their facilities.
- Funds for the maintenance computer program are nonlapsing.
- Funds for the corridor preservation match portion for local governments are nonlapsing. The match portion for local governments is intended to match funds expended on current and future state roads and is available for a two-year period from the date the local option transportation corridor preservation fee was initially imposed. Any unexpended local matching funds revert to the Transportation Corridor Preservation Revolving Loan Fund.
- Funds for the Utah State transportation research program are nonlapsing.

Proposed Legislative Intent Language

- A portion of $30,000,000 of the total $100,000,000 for Transportation Capital is for corridor preservation. Of the $30,000,000 for corridor preservation, $16,000,000 is to be placed in the Transportation Corridor Preservation Revolving Loan Fund. The remaining $14,000,000 is to be nonlapsing and matched by local governments and expended only on current and future state roads and be nonlapsing. The match portion for local governments is available for a two-year period from the date the local option transportation corridor preservation fee was initially imposed. Any unexpended local matching funds revert to the Transportation Corridor Preservation Revolving Loan Fund.

- Funds for East-West Corridors Transportation Study are nonlapsing.

- Any surplus in the Aeronautics Fund not otherwise appropriated may be used by the department for the construction, rehabilitation, and preservation of airports in Utah. The appropriation shall fund: first, a maximum participation with the federal government as provided by law; and last, other state expenditures, as funding permits. 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.

TRANSPORTATION

Operating Budget

	Actual FY 2007	Authorized FY 2008	Governor Huntsman's Recommendations: Supple-mentals	Recommended FY 2008	Base FY 2009	Ongoing and One-time Adj.	Total FY 2009
Plan of Financing							
General Fund	$5,228,100	$5,490,000	$0	$5,490,000	$0	$3,140,000	$3,140,000
Transportation Fund	179,565,100	190,693,600	0	190,693,600	190,693,600	13,922,000	204,615,600
Federal Funds	68,695,700	43,679,500	0	43,679,500	43,679,500	2,500	43,682,000
Dedicated Credits	29,608,300	17,912,000	0	17,912,000	17,912,000	(433,600)	17,478,400
Restricted and Trust Funds	9,560,100	6,863,200	0	6,863,200	6,863,200	1,656,600	8,519,800
Transfers	(100)	0	0	0	0	0	0
Beginning Balances	1,207,500	7,912,800	0	7,912,800	0	0	0
Closing Balances	(7,912,800)	0	0	0	0	0	0
Lapsing Funds	(1,814,800)	0	0	0	0	0	0
Total Financing	**$284,137,100**	**$272,551,100**	**$0**	**$272,551,100**	**$259,148,300**	**$18,287,500**	**$277,435,800**
Programs							
Transportation							
Support Services	$25,757,100	$36,656,500	$0	$36,656,500	$28,016,500	$4,342,200	$32,358,700
Engineering Services	30,904,600	34,216,400	0	34,216,400	29,716,400	1,508,300	31,224,700
Maintenance Management	120,518,200	130,163,000	0	130,163,000	130,008,400	6,561,900	136,570,300
Region District Management	25,045,000	25,904,100	0	25,904,100	25,795,900	1,685,900	27,481,800
Equipment Management	28,368,000	18,364,300	0	18,364,300	18,364,300	2,532,600	20,896,900
Aeronautics	53,544,200	27,246,800	0	27,246,800	27,246,800	1,656,600	28,903,400
Total Budget	**$284,137,100**	**$272,551,100**	**$0**	**$272,551,100**	**$259,148,300**	**$18,287,500**	**$277,435,800**
% Change from Authorized FY 2008 to Total FY 2009							**1.8%**
FTE Positions	--	1,658.5	0.0	1,658.5	1,674.5	1.0	1,675.5

TRANSPORTATION

Capital Budget

	Actual FY 2007	Authorized FY 2008	Governor Huntsman's Recommendations: Supple-mentals	Recommended FY 2008	Base FY 2009	Ongoing and One-time Adj.	Total FY 2009
Plan of Financing							
General Fund	$35,000,000	$384,000,000	$0	$384,000,000	$35,000,000	$220,000,000	$255,000,000
Transportation Fund	232,067,300	231,034,500	0	231,034,500	231,242,500	4,506,000	235,748,500
Federal Funds	255,085,100	167,820,000	0	167,820,000	152,831,400	0	152,831,400
Dedicated Credits	23,887,700	1,550,000	0	1,550,000	1,550,000	0	1,550,000
Mineral Lease	51,288,000	47,280,000	0	47,280,000	53,256,000	0	53,256,000
Restricted and Trust Funds	501,392,600	434,368,400	0	434,368,400	389,744,300	0	389,744,300
Beginning Balances	145,364,900	123,221,400	0	123,221,400	129,148,800	0	129,148,800
Closing Balances	(123,221,400)	(129,148,800)	0	(129,148,800)	(6,358,600)	0	(6,358,600)
Lapsing Funds	(74,144,500)	0	0	0	0	0	0
Total Financing	**$1,046,719,700**	**$1,260,125,500**	**$0**	**$1,260,125,500**	**$986,414,400**	**$224,506,000**	**$1,210,920,400**
Projects							
Construction	$379,370,300	$547,175,200	$0	$547,175,200	$387,175,200	$220,000,000	$607,175,200
Sidewalk Construction	358,600	2,516,500	0	2,516,500	500,000	0	500,000
B&C Road Account	124,057,800	126,608,700	0	126,608,700	126,608,700	0	126,608,700
Maintenance Sheds	0	2,000,000	0	2,000,000	0	4,506,000	4,506,000
Centennial Highway Fund	491,958,700	534,231,400	0	534,231,400	418,874,500	0	418,874,500
Mineral Lease Programs	50,974,300	47,593,700	0	47,593,700	53,256,000	0	53,256,000
Total Budget	**$1,046,719,700**	**$1,260,125,500**	**$0**	**$1,260,125,500**	**$986,414,400**	**$224,506,000**	**$1,210,920,400**
% Change from Authorized FY 2008 to Total FY 2009							**(3.9%)**

CENTENNIAL HIGHWAY FUND
(In Millions of Dollars)

	Annual Funding Available	Through FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	Total
1	Beginning Balance	$0.0	$305.4	$320.2	$216.9	$172.2	$143.5	$110.9	$129.1	$6.4	
2	General Fund	703.0	59.6	59.6	59.6	90.0	201.0	249.0	0.0	0.0	**$1,421.7**
3	General Fund I-15 Savings Transfer	(21.2)	(10.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**(32.0)**
4	General Fund Sales Tax (1/64 cent)	13.1	4.8	4.6	5.5	6.3	6.6	7.1	7.4	7.8	**63.2**
5	General Fund Sales Tax (2005 Legislature)	0.0	0.0	0.0	0.0	59.6	0.0	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	195.3	177.5	181.7	192.6	**747.1**
7	Transit Tax Revenue	0.9	6.2	2.4	1.2	1.2	0.0	0.0	0.0	0.0	**12.0**
8	Transportation Funds - Gas Tax 5.5 Cents	292.4	63.7	65.6	67.6	69.6	1.7	73.8	76.0	78.3	**788.7**
9	Department Contribution	37.4	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	**85.4**
10	Registration Fee Increase	83.6	18.7	19.6	20.4	21.5	22.4	23.0	23.7	24.4	**257.2**
11	Investment Income	55.2	5.4	2.8	3.1	2.8	2.4	1.1	1.3	0.0	**74.1**
12	General Obligation Bonds Issued	1,185.8	95.3	0.0	47.1	0.0	0.0	0.0	0.0	0.0	**1,328.1**
13	Premiums on Bonds Issued	30.1	14.0	31.9	4.7	0.0	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	(202.7)	(51.3)	(52.9)	(53.2)	(48.8)	(46.5)	(42.3)	(37.5)	(32.4)	**(567.6)**
16	Less: Debt Service - Principal	(33.8)	(35.6)	(79.7)	(74.3)	(77.6)	(81.5)	(91.4)	(99.1)	(104.6)	**(677.5)**
17	Federal Sources	277.9	34.8	42.3	20.5	5.4	24.0	15.0	0.0	0.0	**420.0**
18	Local Governments	6.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**6.9**
19	**Total Annual Funding Available**	**$2,425.1**	**$516.2**	**$422.4**	**$325.2**	**$308.2**	**$474.9**	**$529.7**	**$288.6**	**$178.6**	**$4,064.1**
	Project Expenditures										
20	I-15 Project Costs	$1,545.1	$3.1	$4.6	$1.2	($3.9)	($0.4)	$8.3	$0.0	$0.0	**$1,558.0**
21	Other Projects	574.6	192.8	201.0	151.7	168.7	364.4	392.3	197.5	39.2	**2,282.2**
22	Available for New Construction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	84.8	129.6	**214.4**
23	**Total Project Expenditures**	**$2,119.7**	**$196.0**	**$205.5**	**$152.9**	**$164.8**	**$364.0**	**$400.6**	**$282.3**	**$168.8**	**$4,054.6**
24	**Ending Balance**	**$305.4**	**$320.2**	**$216.9**	**$172.2**	**$143.5**	**$110.9**	**$129.1**	**$6.4**	**$9.8**	
25	**Bond Debt Outstanding**	**$2,060.0**	**$1,105.9**	**$1,132.1**	**$1,104.9**	**$1,027.3**	**$945.8**	**$854.4**	**$755.3**	**$650.7**	

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 6.0 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. The July 1, 2006 implementation of this bill caused a one-time accrual adjustment of $23,426,200 in FY 2007.*

(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.

(19) Total Annual Funding includes the beginning balances. The Total column on the far right only includes new money to the fund and thus does not include beginning balances.

Notes: Minor differences on table are due to rounding.

Previous versions of the Budget Recommendations book reported bonds in the year they were authorized. The above historical funding plan reports bonds in the year they were expended. This results in minor differences between versions of the Centennial Highway Fund schedule.

TRANSPORTATION

		General Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
	TRANSPORTATION FY 2009 OPERATING BUDGET							
	Beginning Base Budget							
Q1	FY 2008 appropriated budget	$5,490,000	$190,693,600	$43,679,500	$17,912,000	$6,863,200	$0	$264,638,300
Q2	Adjustments for one-time FY 2008 appropriations	(5,490,000)	0	0	0	0	0	(5,490,000)
	Total Beginning Base Budget - Transportation	**0**	**190,693,600**	**43,679,500**	**17,912,000**	**6,863,200**	**0**	**259,148,300**
	Statewide Ongoing Adjustments							
Q3	Cost-of-living adjustments of 3.0%	0	2,976,900	0	144,300	25,500	0	3,146,700
Q4	Discretionary salary increase	0	1,984,600	0	96,200	17,000	0	2,097,800
Q5	Market comparability adjustments	0	553,500	0	8,500	4,800	0	566,800
Q6	General services internal service fund adjustments	0	(292,800)	2,500	(777,900)	(2,800)	0	(1,071,000)
Q7	Technology services internal service fund adjustments	0	234,200	0	(1,200)	(700)	0	232,300
Q8	Health insurance rate adjustments	0	1,660,800	0	96,500	12,800	0	1,770,100
	Subtotal Statewide Ongoing Adjustments - Transportation	*0*	*7,117,200*	*2,500*	*(433,600)*	*56,600*	*0*	*6,742,700*
	Ongoing Adjustments							
	Maintenance Management							
Q9	Extra lane mile maintenance	0	2,348,400	0	0	0	0	2,348,400
Q10	Lands and buildings	0	650,000	0	0	0	0	650,000
	Region Management							
Q11	Region permit program	0	350,000	0	0	0	0	350,000
	Engineering Services							
Q12	Traffic Operations Center signal engineer	0	90,100	0	0	0	0	90,100
	Subtotal Ongoing Adjustments - Transportation	*0*	*3,438,500*	*0*	*0*	*0*	*0*	*3,438,500*
	One-time Adjustments							
	Support Services							
Q13	Moab trails system	2,000,000	0	0	0	0	0	2,000,000
Q14	Regional Council and Mountainlands AOG	140,000	0	0	0	0	0	140,000
Q15	Utah Lake Commission transportation planning	1,000,000	0	0	0	0	0	1,000,000
	Equipment Management							
Q16	Equipment for extra lane mile maintenance	0	2,977,600	0	0	0	0	2,977,600
	Maintenance Management							
Q17	Retention basin remediation	0	188,700	0	0	0	0	188,700
	Engineering Services							
Q18	X-ray fluorescence spectrometer	0	200,000	0	0	0	0	200,000
	Aeronautics							
Q19	Airplane replacement	0	0	0	0	1,600,000	0	1,600,000
	Subtotal One-time Adjustments - Transportation	*3,140,000*	*3,366,300*	*0*	*0*	*1,600,000*	*0*	*8,106,300*
	Total FY 2009 Transportation Adjustments	**3,140,000**	**13,922,000**	**2,500**	**(433,600)**	**1,656,600**	**0**	**18,287,500**
	Total FY 2009 Transportation Operating Budget	**$3,140,000**	**$204,615,600**	**$43,682,000**	**$17,478,400**	**$8,519,800**	**$0**	**$277,435,800**

TRANSPORTATION - CONTINUED

		General Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
TRANSPORTATION FY 2009 CAPITAL BUDGET								
	Beginning Base Budget							
Q20	FY 2008 appropriated budget	$384,000,000	$231,035,500	$167,844,400	$1,550,000	$421,957,000	($51,898,000)	$1,154,488,900
Q21	Adjustments for one-time FY 2008 appropriations	(349,000,000)	(2,000,000)	0	0	(50,000,000)	0	(401,000,000)
Q22	Adjustments to funding levels	0	2,207,000	(15,013,000)	0	17,787,300	227,944,200	232,925,500
	Total FY 2009 Transportation Capital Base Budget	**35,000,000**	**231,242,500**	**152,831,400**	**1,550,000**	**389,744,300**	**176,046,200**	**986,414,400**
	Ongoing Adjustments							
	Construction Management							
Q23	Bridge replacement program	20,000,000	0	0	0	0	0	20,000,000
	Subtotal Ongoing Capital Adjustments - Transportation	*20,000,000*	*0*	*0*	*0*	*0*	*0*	*20,000,000*
	One-time Adjustments							
	Construction Management							
Q24	Corridor Preservation	30,000,000	0	0	0	0	0	30,000,000
Q25	Bridge replacement program	50,000,000	0	0	0	0	0	50,000,000
Q26	Choke point and safety projects	80,000,000	0	0	0	0	0	80,000,000
Q27	Congestion relief	40,000,000	0	0	0	0	0	40,000,000
	Maintenance Sheds							
Q28	Hurricane maintenance station	0	4,506,000	0	0	0	0	4,506,000
	Subtotal One-time Capital Adjustments - Transportation	*200,000,000*	*4,506,000*	*0*	*0*	*0*	*0*	*204,506,000*
	Total FY 2009 Transportation Capital Adjustments	**220,000,000**	**4,506,000**	**0**	**0**	**0**	**0**	**224,506,000**
Total FY 2009 Transportation Capital Budget		**$255,000,000**	**$235,748,500**	**$152,831,400**	**$1,550,000**	**$389,744,300**	**$176,046,200**	**$1,210,920,400**

TRANSPORTATION TOTALS							
FY 2009 Operating Base Budget	$0	$190,693,600	$43,679,500	$17,912,000	$6,863,200	$0	$259,148,300
FY 2009 Operating Ongoing and One-time Adjustments	3,140,000	13,922,000	2,500	(433,600)	1,656,600	0	18,287,500
FY 2009 Operating Recommendation	3,140,000	204,615,600	43,682,000	17,478,400	8,519,800	0	277,435,800
FY 2009 Capital Base Budget	35,000,000	231,242,500	152,831,400	1,550,000	389,744,300	176,046,200	986,414,400
FY 2009 Capital Ongoing and One-time Adjustments	220,000,000	4,506,000	0	0	0	0	224,506,000
FY 2009 Capital Recommendation	255,000,000	235,748,500	152,831,400	1,550,000	389,744,300	176,046,200	1,210,920,400