TRANSPORTATION

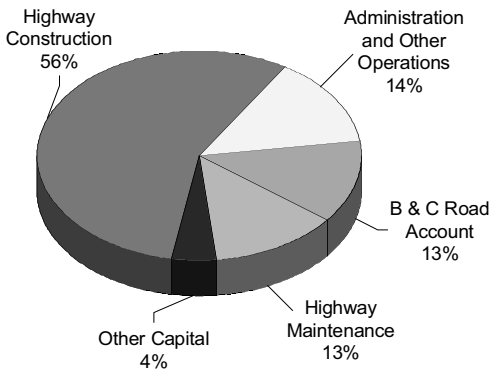
Joseph Brown, Analyst

AGENCY BUDGET OVERVIEW

TRANSPORTATION

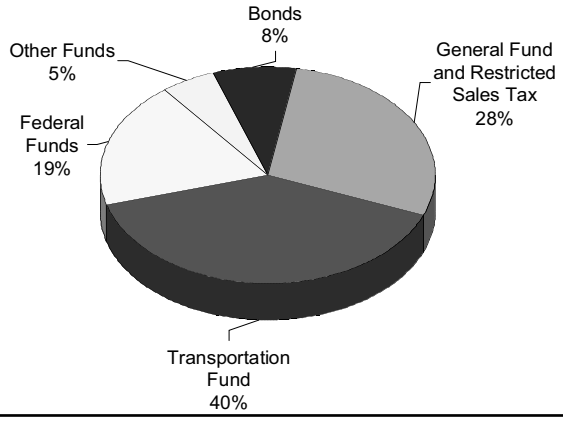
Mission: *Build and maintain the state's transportation system, plan and implement new highway projects, improve pavement conditions on existing roads, and assure highway safety through appropriate design and maintenance*

Where Will My Taxes and Fees Go for Transportation?
(Total FY 2007 Funding is $936,591,200*)



**Includes funding for capital projects*

Financing of Transportation
(Based on FY 2007 Recommendations)



Does not include transfers or beginning balances

MAJOR ACCOMPLISHMENTS AND GOALS

Take care of the current road system
- Maintains, repairs, and operates the state highway system consisting of over 6,000 miles of highways; this is 14 percent of Utah's total highway road system of 40,707 miles
- 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 the pavement, extending its lifetime
- Preserves bridges through routine inspections, sealing treatments and deck pavement projects
- Maintains highways by plowing snow, maintaining drainage, improving roadway markings, pothole patching, and guardrail repair

Improve the highway system
- Maximizes traffic efficiency through intelligent transportation systems that includes 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, using anti-icing methods to prevent black ice and snow-packed conditions

Increase highway safety
- Focuses on improving 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 high occupancy vehicle (HOV) lanes on Interstate 15 in Utah County
- Build Legacy Parkway project to handle 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 quality levels

- Increase maintenance funding to offset rising fuel costs with a $600,000 Transportation Fund supplemental and a $1,200,000 ongoing Transportation Fund appropriation
- Provide maintenance with $1,650,000 in ongoing Transportation Fund to perform routine maintenance activities and snow removal on 342.9 additional lane miles that will be added to the state system during FY 2006
- Start the first phase of a new maintenance management system that will increase the efficiency of maintaining the state highway system using $1,000,000 of one-time Transportation Fund
- Enhance maintenance capacity by demolishing an outdated maintenance shed in Clearfield, Utah and replacing it with a newer more adequate shed using $1,200,000 of one-time Transportation Fund

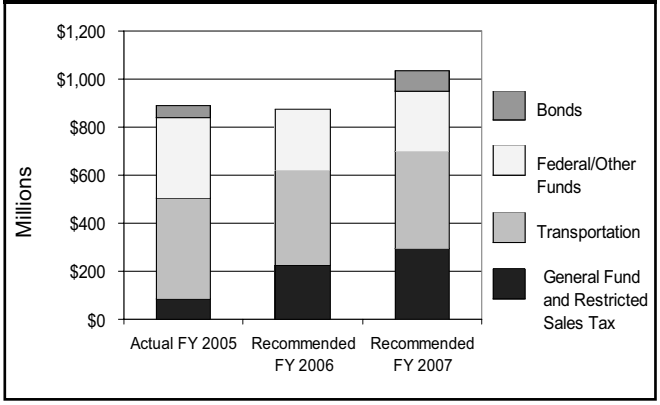
Preserve highway corridors before development occurs

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

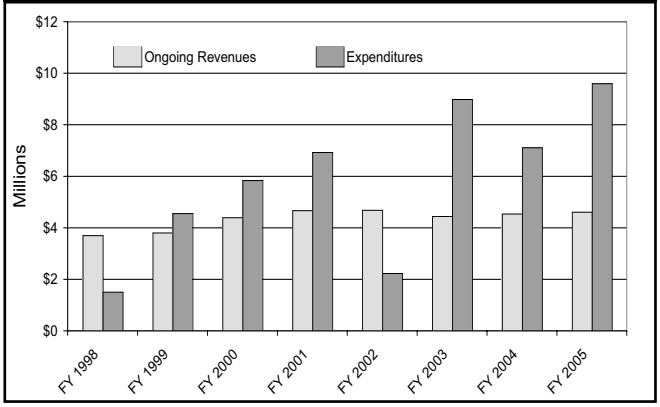
Address capacity and safety conditions

- Reduce traffic congestion and improve safety by using $40,000,000 ongoing General Fund and $80,000,000 one-time General Fund to construct a number of congestion relief and safety projects throughout the state
- Bond for $83,000,000 to continue building Centennial Highway projects, including Legacy Parkway

Changes in Funding for Transportation

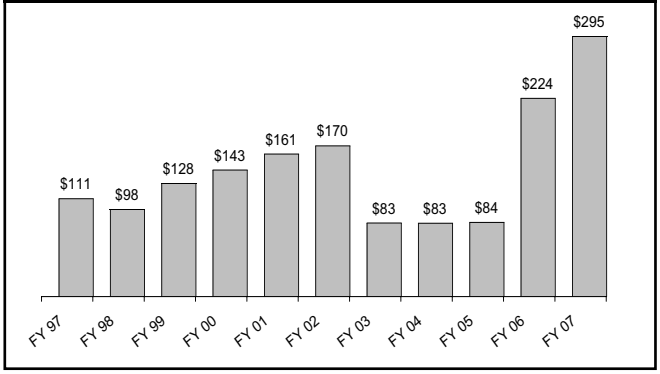


Corridor Preservation Fund
Ongoing Revenues versus Expenditures by Fiscal Year



Demand continues to increase while revenue growth remains relatively flat.

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



Proposed Legislative Intent Language

FY 2006 Proposed Legislative Intent

- If funds are available, Support Services is authorized to not lapse up to $100,000 for data processing system development.

- If funds are available, Engineering Services is authorized to not lapse up to $100,000 for special projects and studies.

- If funds are available, Maintenance Management is authorized to not lapse up to $100,000 for special project and studies, $200,000 for land and buildings environmental cleanup, and $500,000 for land purchases.

- If funds are available, Region Management is authorized to not lapse up to $100,000 for special projects and studies.

- If funds are available, Equipment Management is authorized to not lapse up to $100,000 for equipment and supplies.

FY 2007 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.

- 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.

- 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.

TRANSPORTATION

Operating Budget

	Actual FY 2005	Authorized FY 2006	Governor Huntsman's Recommendations: Supple-mentals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.	Total FY 2007
Plan of Financing							
General Fund	$88,100	$88,100	$0	$88,100	$88,100	$0	$88,100
Transportation Fund	156,304,300	166,114,200	700,000	166,814,200	165,734,400	14,525,800	180,260,200
Federal Funds	58,299,200	42,023,800	0	42,023,800	41,447,200	0	41,447,200
Dedicated Credits	25,540,200	22,873,900	0	22,873,900	23,090,500	0	23,090,500
Restricted and Trust Funds	8,175,100	6,752,500	0	6,752,500	6,749,800	70,200	6,820,000
Beginning Balances	1,565,000	500,000	0	500,000	0	0	0
Closing Balances	(500,000)	0	0	0	0	0	0
Lapsing Funds	(2,655,600)	0	0	0	0	0	0
Total Financing	**$246,816,300**	**$238,352,500**	**$700,000**	**$239,052,500**	**$237,110,000**	**$14,596,000**	**$251,706,000**
Programs							
Transportation							
Support Services	$24,276,700	$25,518,400	$0	$25,518,400	$24,422,400	$2,001,900	$26,424,300
Engineering Services	33,153,800	34,359,900	0	34,359,900	27,018,000	1,857,500	28,875,500
Maintenance Management	101,112,000	102,916,900	700,000	103,616,900	111,247,300	8,707,300	119,954,600
Region District Management	22,056,500	23,707,300	0	23,707,300	23,551,100	1,478,700	25,029,800
Equipment Management	25,443,800	24,790,600	0	24,790,600	23,581,400	480,400	24,061,800
Aeronautics	40,773,500	27,059,400	0	27,059,400	27,289,800	70,200	27,360,000
Total Budget	**$246,816,300**	**$238,352,500**	**$700,000**	**$239,052,500**	**$237,110,000**	**$14,596,000**	**$251,706,000**
% Change from Authorized FY 2006 to Total FY 2007							**5.6%**
FTE Positions	--	1,730.0	0.0	1,730.0	1,730.0	0.0	1,730.0

TRANSPORTATION

Capital Budget

	Actual FY 2005	Authorized FY 2006	Governor Huntsman's Recommendations: Supple-mentals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.	Total FY 2007	FY 2007 Bond
Plan of Financing								
General Fund	$59,594,700	$120,000,000	$20,000,000	$140,000,000	$90,000,000	$120,000,000	$210,000,000	$0
Transportation Fund	265,170,600	230,613,300	0	230,613,300	226,372,500	1,200,000	227,572,500	0
Federal Funds	206,874,300	154,754,800	0	154,754,800	153,210,100	0	153,210,100	0
Dedicated Credits	14,347,600	4,050,000	0	4,050,000	2,750,000	0	2,750,000	0
Mineral Lease	36,156,200	38,838,100	0	38,838,100	38,838,100	0	38,838,100	0
Restricted and Trust Funds	45,866,300	105,076,000	0	105,076,000	105,969,700	0	105,969,700	0
FY 2007 G.O. Bond	0	0	0	0	0	0	0	83,000,000
Transfers	(113,526,200)	(128,479,200)	0	(128,479,200)	(128,322,400)	0	(128,322,400)	0
Beginning Balances	218,456,300	185,577,500	0	185,577,500	74,867,200	0	74,867,200	0
Closing Balances	(185,577,500)	(74,867,200)	0	(74,867,200)	0	0	0	0
Lapsing Funds	(135,900)	0	0	0	0	0	0	0
Total Financing	**$547,226,400**	**$635,563,300**	**$20,000,000**	**$655,563,300**	**$563,685,200**	**$121,200,000**	**$684,885,200**	**$83,000,000**
Projects								
Construction	$293,308,100	$211,475,300	$0	$211,475,300	$171,300,900	$80,000,000	$251,300,900	$0
Sidewalk Construction	169,100	2,262,600	0	2,262,600	500,000	0	500,000	0
B&C Road Account	114,529,400	114,133,800	0	114,133,800	120,014,000	0	120,014,000	0
Maintenance Sheds	0	1,457,000	0	1,457,000	0	1,200,000	1,200,000	0
Centennial Highway Fund	102,952,600	267,396,500	0	267,396,500	233,032,200	0	233,032,200	83,000,000
Mineral Lease Programs	36,267,200	38,838,100	0	38,838,100	38,838,100	0	38,838,100	0
Transportation Investment Fund	0	0	0	0	0	40,000,000	40,000,000	0
Corridor Preservation Fund	0	0	20,000,000	20,000,000	0	0	0	0
Total Budget	**$547,226,400**	**$635,563,300**	**$20,000,000**	**$655,563,300**	**$563,685,200**	**$121,200,000**	**$684,885,200**	**$83,000,000**
% Change from Authorized FY 2006 to Total FY 2007							**7.8%**	

CENTENNIAL HIGHWAY FUND
(In Millions of Dollars)

	Annual Funding Available	Through FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Total
1	Beginning Balance	0.0	119.1	48.8	142.6	211.1	217.0	183.8	74.9	0.7	0.1	
2	General Fund	420.0	137.0	146.0	59.6	59.6	59.6	90.0	90.0	90.0	90.0	**1,241.7**
3	General Fund I-15 Savings Transfer	0.0	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)	2.8	5.4	4.9	4.8	4.6	5.5	5.5	5.6	5.8	6.1	**51.0**
5	General Fund Sales Tax (2005 Legislature)	0.0	0.0	0.0	0.0	0.0	0.0	59.6	59.6	59.6	59.6	**238.4**
6	Transit Tax Revenue	0.0	0.0	0.9	6.2	2.5	1.2	0.0	0.0	0.0	0.0	**10.8**
7	Transportation Funds - Gas Tax 5.5 Cents	170.5	60.0	61.8	63.7	65.6	67.6	69.6	71.7	73.8	76.0	**780.4**
8	Department Contribution	25.4	6.0	6.0	6.0	6.0	6.0	6.0	6.0	0.0	0.0	**67.4**
9	Registration Fee Increase	48.1	17.4	18.1	18.7	19.6	20.4	21.2	22.0	22.3	22.9	**230.7**
10	Investment Income	49.4	2.9	0.3	5.4	2.8	3.2	2.5	1.2	0.6	0.9	**69.2**
11	General Obligation Bonds Issued	908.0	0.0	126.3	151.6	95.3	47.0	0.0	0.0	0.0	0.0	**1,328.1**
12	Premiums on Bonds Issued	19.8	0.0	0.0	11.2	14.0	3.0	0.0	0.0	0.0	0.0	**48.1**
13	Less: Issuance Costs	(4.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**(4.5)**
14	Less: Debt Service - Interest/Fees	(107.0)	(44.2)	(48.9)	(51.3)	(52.9)	(53.2)	(50.9)	(46.8)	(42.3)	(37.5)	**(534.9)**
15	Less: Debt Service - Principal	0.0	0.0	(33.8)	(35.6)	(47.8)	(72.5)	(77.6)	(81.5)	(91.4)	(99.1)	**(539.3)**
16	Federal Sources	125.9	105.1	46.9	34.8	42.3	32.1	32.5	30.4	0.0	0.0	**450.0**
17	Local Governments	7.0	8.3	(8.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**6.9**
	Recommended Bonding											
18	General Obligation Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	83.0	174.0	0.0	**257.0**
19	Less: Issuance Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.5)	(1.1)	0.0	**(1.6)**
20	Less: Debt Service - Interest/Fees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(3.7)	(11.6)	(11.2)	**(26.5)**
21	Less: Debt Service - Principal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(7.7)	**(7.7)**
22	**Total Annual Funding Available**	**1,665.6**	**417.0**	**347.7**	**407.0**	**422.6**	**336.8**	**342.3**	**311.8**	**280.5**	**100.1**	**3,633.3**
	Project Expenditures											
23	I-15 Project Costs	1,356.2	167.0	54.0	3.1	4.6	1.2	4.0	0.0	0.0	0.0	**1,590.0**
24	I-15 Project Cost Savings	0.0	0.0	(32.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**(32.0)**
25	Other Projects	190.2	201.3	183.0	192.9	201.0	151.8	263.4	311.2	280.3	86.9	**2,062.0**
26	**Total Project Expenditures**	**1,546.4**	**368.3**	**205.0**	**196.0**	**205.6**	**153.0**	**267.4**	**311.2**	**280.3**	**86.9**	**3,620.0**
27	**Ending Balance**	**119.1**	**48.8**	**142.6**	**211.1**	**217.0**	**183.8**	**74.9**	**0.7**	**0.1**	**13.3**	
28	**Bond Debt Outstanding**	**908.0**	**908.0**	**1,000.5**	**1,105.9**	**1,130.4**	**1,104.9**	**1,027.3**	**1,028.8**	**1,111.4**	**1,004.6**	
29	**Net Cash Balance** (line 27 less line 28)	**(788.9)**	**(859.2)**	**(857.8)**	**(894.8)**	**(913.4)**	**(921.1)**	**(952.4)**	**(1,028.0)**	**(1,111.2)**	**(991.3)**	

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.
(5) Sales tax dedicated to the Centennial Highway Fund through passage of House Bill 1008, *Transportation Investment Act,* in the 2005 First Special Session
(6) Portion of a quarter of the 1/4 cent transit tax increase passed by Salt Lake County voters in the 2000 General Election.
(7) Transportation revenues from fuel tax increase passed in the 1997 General Session. Growth rate is 3.0 percent per year.
(9) Transportation revenues from auto and truck registration fee increase passed in the 1997 General Session.

TRANSPORTATION

		General Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
TRANSPORTATION FY 2007 OPERATING BUDGET								
	Beginning Base Budget							
Q1	FY 2006 appropriated budget	$88,100	$166,114,200	$38,974,500	$16,012,300	$6,752,500	$0	$227,941,600
Q2	Adjustments for extra working day	0	(379,800)	0	(16,500)	(2,700)	0	(399,000)
Q3	Adjustments to funding levels	0	0	2,472,700	7,094,700	0	0	9,567,400
	Total Beginning Base Budget - Transportation	**88,100**	**165,734,400**	**41,447,200**	**23,090,500**	**6,749,800**	**0**	**237,110,000**
	Statewide Ongoing Adjustments							
Q4	Cost-of-living adjustments of 2.5%	0	2,368,700	0	0	17,800	0	2,386,500
Q5	Discretionary salary increase funding	0	1,895,000	0	0	14,400	0	1,909,400
Q6	Internal service fund adjustments	0	269,600	0	0	0	0	269,600
Q7	Human resources consolidation adjustments	0	(47,000)	0	0	(5,700)	0	(52,700)
Q8	Health insurance rate adjustments	0	1,703,200	0	0	10,600	0	1,713,800
Q9	Termination pool rate adjustments	0	3,766,300	0	0	28,800	0	3,795,100
Q10	Retirement rate adjustments	0	610,000	0	0	4,300	0	614,300
	Subtotal Statewide Ongoing Adjustments - Transportation	*0*	*10,565,800*	*0*	*0*	*70,200*	*0*	*10,636,000*
	Ongoing Adjustments							
	Maintenance Management							
Q11	Fuel cost increase	0	1,200,000	0	0	0	0	1,200,000
Q12	Rest area maintenance contract increase	0	110,000	0	0	0	0	110,000
Q13	Region 1 - maintenance funds for additional lane miles	0	263,200	0	0	0	0	263,200
Q14	Region 2 - maintenance funds for additional lane miles	0	615,200	0	0	0	0	615,200
Q15	Region 3 - maintenance funds for additional lane miles	0	513,600	0	0	0	0	513,600
Q16	Richfield District - maintenance funds for additional lane miles	0	9,600	0	0	0	0	9,600
Q17	Price District - maintenance funds for additional lane miles	0	224,400	0	0	0	0	224,400
Q18	Cedar City District - maintenance funds for additional lane miles	0	24,000	0	0	0	0	24,000
	Subtotal Ongoing Adjustments - Transportation	*0*	*2,960,000*	*0*	*0*	*0*	*0*	*2,960,000*
	One-time Adjustments							
	Maintenance Management							
Q19	First phase of maintenance management system (DTS)	0	1,000,000	0	0	0	0	1,000,000
	Subtotal One-time Adjustments - Transportation	*0*	*1,000,000*	*0*	*0*	*0*	*0*	*1,000,000*
	Total FY 2007 Transportation Adjustments	**0**	**14,525,800**	**0**	**0**	**70,200**	**0**	**14,596,000**
Total FY 2007 Transportation Operating Budget		**$88,100**	**$180,260,200**	**$41,447,200**	**$23,090,500**	**$6,820,000**	**$0**	**$251,706,000**
TRANSPORTATION FY 2006 OPERATING BUDGET ADJUSTMENTS								
	Supplemental Adjustments							
	Maintenance Management							
Q20	Fuel cost increase	$0	$600,000	$0	$0	$0	$0	$600,000
Q21	Avalanche control building	0	100,000	0	0	0	0	100,000
	Subtotal Supplemental Adjustments - Transportation	*0*	*700,000*	*0*	*0*	*0*	*0*	*700,000*
Total FY 2006 Transportation Budget Adjustments		**$0**	**$700,000**	**$0**	**$0**	**$0**	**$0**	**$700,000**

TRANSPORTATION - CONTINUED

		General Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
TRANSPORTATION FY 2007 CAPITAL BUDGET								
	Base Budget							
Q22	FY 2006 appropriated budget	$120,000,000	$224,613,300	$145,267,900	$2,703,000	$105,760,700	$7,737,800	$606,082,700
Q23	Adjustments for one-time FY 2006 appropriations	(30,000,000)	0	0	0	0	0	(30,000,000)
Q24	Adjustments to funding levels	0	1,759,200	7,942,200	47,000	209,000	(22,354,900)	(12,397,500)
	Total FY 2007 Transportation Capital Base Budget	**90,000,000**	**226,372,500**	**153,210,100**	**2,750,000**	**105,969,700**	**(14,617,100)**	**563,685,200**
	Ongoing Adjustments							
	Transportation Investment Fund of 2005 (TIF)							
Q25	Transportation capacity projects	40,000,000	0	0	0	0	0	40,000,000
	Subtotal Ongoing Capital Adjustments - Transportation	*40,000,000*	*0*	*0*	*0*	*0*	*0*	*40,000,000*
	One-time Adjustments							
	Transportation Investment Fund of 2005 (TIF)							
Q26	Choke point and safety projects	80,000,000	0	0	0	(80,000,000)	0	0
	Construction Management							
Q27	Transfer from TIF for choke point and safety projects	0	0	0	0	80,000,000	0	80,000,000
	Maintenance Sheds							
Q28	Replacement cost of Clearfield Maintenance Station	0	1,200,000	0	0	0	0	1,200,000
	Subtotal One-time Capital Adjustments - Transportation	*80,000,000*	*1,200,000*	*0*	*0*	*0*	*0*	*81,200,000*
	Total FY 2007 Transportation Capital Adjustments	**120,000,000**	**1,200,000**	**0**	**0**	**0**	**0**	**121,200,000**
Total FY 2007 Transportation Capital Budget		**$210,000,000**	**$227,572,500**	**$153,210,100**	**$2,750,000**	**$105,969,700**	**($14,617,100)**	**$684,885,200**
TRANSPORTATION FY 2006 CAPITAL BUDGET SUPPLEMENTALS								
	Corridor Preservation Fund							
Q29	Corridor Preservation Fund for land purchases	$20,000,000	$0	$0	$0	$0	$0	$20,000,000
	Subtotal Supplemental Capital Adjustments - Transportation	*20,000,000*	*0*	*0*	*0*	*0*	*0*	*20,000,000*
Total FY 2006 Transportation Capital Supplementals		**$20,000,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$20,000,000**
TRANSPORTATION TOTALS								
FY 2007 Operating Base Budget		$88,100	$165,734,400	$41,447,200	$23,090,500	$6,749,800	$0	$237,110,000
FY 2007 Operating Ongoing and One-time Adjustments		0	14,525,800	0	0	70,200	0	14,596,000
FY 2007 Operating Recommendation		88,100	180,260,200	41,447,200	23,090,500	6,820,000	0	251,706,000
FY 2006 Operating Adjustments		0	700,000	0	0	0	0	700,000
FY 2007 Capital Base Budget		90,000,000	226,372,500	153,210,100	2,750,000	105,969,700	(14,617,100)	563,685,200
FY 2007 Capital Ongoing and One-time Adjustments		120,000,000	1,200,000	0	0	0	0	121,200,000
FY 2007 Capital Recommendation		210,000,000	227,572,500	153,210,100	2,750,000	105,969,700	(14,617,100)	684,885,200
FY 2006 Capital Adjustments		20,000,000	0	0	0	0	0	20,000,000