

# Amended FY 2010 & FY 2011 Budget



# Amended FY 2010 Budget Highlights

- State General Funds:
  - Must withhold 5% State General Funds from FY10 Budget
  - Additionally, must identify reductions of 4, 6 and 8 percent for State General Funds Amended FY10 budget request
  - Withhold funding equivalent to 3 furlough days in FY10
  - No new funding request, redistribution only from existing funds
- Motor Fuel Funds:
  - Actual FY09 collections down \$20M *(based on unaudited collections)*
  - GO Bond Debt Service reduced by \$25M
  - GARVEE MFT portion Debt Service reduced by \$2M, due to no new GARVEE sale for FY 2010

# Amended FY 2010 State General Fund Reductions

FY'10 SGF Adjusted AOB	Reductions	Amended FY'10 SGF Budget Request	Allotment Withholding	Available SGF for FY 2010*
	<b>4%</b>			
15,379,720	(615,189)	14,764,531	(798,839)	13,965,692
	<b>6%</b>			
15,379,720	(922,783)	14,456,937	798,839)	13,658,098
	<b>8%</b>			
15,379,720	(1,230,378)	14,149,342	(798,839)	13,350,503

**Allotment withholding= 5% withholding (\$769K); 3 day furlough (\$29K)**

\*Estimated based on reductions communicated by OPB, additional reductions may be recommended by the Governor

SGF= State General Funds

# Amended FY 2010 State General Fund Reductions

Program	4% Reduction	6% Reduction	8% Reduction
Aviation	(601,000)	(151,744)	(459,339)
Transit		(749,755)	(742,661)
Data Collections	(14,189)	(21,284)	(28,378)
<b>Total Reductions</b>	<b>(615,189)</b>	<b>(922,783)</b>	<b>(1,230,378)</b>

SGF= State General Funds

# Amended FY 2010 SGF Reduction Program Impacts

Program	Program Impacts
Aviation	<ul style="list-style-type: none"> <li>•Negatively impact the reach of the Airport Aid and Air field pavement conditions performance measures. Will also decrease the program delivery where projects are dependent on this level of service.</li> <li>•The 6% and 8% reductions will cause the loss of airfield pavement maintenance projects at 5 airports.</li> </ul>
Data Collections	<ul style="list-style-type: none"> <li>•Directly impacts the Department's ability to provide timely and accurate crash records.</li> </ul>
Transit	<ul style="list-style-type: none"> <li>•Reduces the Department's ability to adequately match federal funds for capital and planning cost</li> </ul>

# Amended FY 2010 Motor Fuel

	<u>FY 10 AOB</u>	<u>Change</u>	<u>AFY10 Request</u>
<b>Motor Fuel Collections</b>	<b>913,000,000</b>	<b>(19,673,850)</b>	<b>893,326,150</b>
Go Bond Debt Service (Issued)	215,601,343	(25,291,444)	190,309,899
Go Bond Debt Service (New)	9,080,000		9,080,000
GRB Debt Service	54,003,104	-	54,003,104
GARVEE Debt Service	39,090,583	(2,041,746)	37,048,837
<b>Total Debt Service</b>	<b>317,775,030</b>	<b>(27,333,190)</b>	<b>290,441,840</b>
Federal Aid Matching (excludes LARP & State Aid)	265,310,416		265,310,416
<b>General Operations</b>	<b>228,567,251</b>	<b>7,659,340</b>	<b>236,226,591</b>
CID	5,000,000		5,000,000
<b>Total Matching &amp; Operations</b>	<b>498,877,667</b>	<b>7,659,340</b>	<b>506,537,007</b>
LARP	60,000,000		60,000,000
Off Sytem	17,443,092		17,443,092
Most Needed	18,904,211		18,904,211
<b>Total LARP &amp; State Aid</b>	<b>96,347,303</b>		<b>96,347,303</b>
<b>Total Funds</b>	<b>913,000,000</b>	<b>(19,673,850)</b>	<b>893,326,150</b>

# AFY'10 Enhancement Request

Valdosta to Willacoochee Emergency Repairs-\$ 1,175,000 ( GO BONDS)



- GDOT recently completed \$120K in repairs on the Track Roadbed and Bridge over the Alapaha River and Overflow due to 04/03/09 flooding damages
- Additional pre-existing bridge structural deficiencies identified when the bridge was inspected after the flood waters receded.
- This bridge is currently not safe for travel, and the service on this portion of the rail line has been suspended until these repairs are completed.

# Amended FY 2010 Budget Request (Fund Source)

<u>Fund Source</u>	<u>FY 2010 AOB</u>	<u>AFY 2010 Request</u>	<u>Variance</u>
Motor Fuel Funds	913,000,000	893,326,150	(19,673,850)
State General Funds	15,420,784	14,190,406	(1,230,378)
Federal (FHWA) Funds	1,242,517,438	1,242,517,438	
Federal (FAA and FTA) Grants	26,500,000	26,500,000	
Other ( Misc. Income )	6,484,541	6,484,541	
GO Bonds (Rail Program)		1,175,000	1,175,000
<b>Total Funds</b>	<b>2,203,922,763</b>	<b>2,184,193,535</b>	<b>(19,729,228)</b>

- AFY 10 Motor Fuel total Includes the \$199M in GO Bond Debt Service appropriated directly to GSFIC, **GDOT portion \$693M.**
- State General Fund total reflects the maximum reduction of 8%

# Amended FY 2010 Budget Request

(Budget Programs)

<u>Program</u>	<u>FY'10 AOB</u>	<u>Change</u>	<u>AFY'10 Request</u>
Administration	65,255,114		65,255,114
Construct State Hwy	107,890,540		107,890,540
Construct State Hwy - Spec Project	1,074,745,688		1,074,745,688
Subtotal Construct	1,182,636,228		1,182,636,228
Maintain State Hwy	163,315,354	7,659,340	170,974,694
Maintain State Hwy - Spec Project	154,372,981		154,372,981
Subtotal Maintain	317,688,335	7,659,340	325,347,675
Operate State Hwy	59,337,643		59,337,643
Local Roads	69,830,871		69,830,871
Local Roads - Most Needed	37,354,211		37,354,211
Local Roads - Off System	35,893,092		35,893,092
Local Roads - LARP	60,000,000		60,000,000
Subtotal Local Roads	203,078,174		203,078,174
Data Collections	11,500,747	(28,378)	11,472,369
Transit	26,698,410	(742,661)	25,955,749
Airport Aid	13,722,712	(459,339)	13,263,373
Rail	303,766	1,175,000	1,478,766
Ports	926,676		926,676
Debt Service:			
SRTA	98,093,687	(2,041,746)	96,051,941
GO Bonds	224,681,271	(25,291,444)	199,389,827
<b>Total</b>	<b>2,203,922,763</b>	<b>(19,729,228)</b>	<b>2,184,193,535</b>



# FY2011 Budget

# FY 2011 Budget Highlights

- **State General Funds:**
  - Additionally, must identify reductions of 4, 6 and 8 percent for State General Funds FY 2011 budget request
  - No new funding request, redistribution only from existing funds
- **Motor Fuel Funds:**
  - MFT estimate for FY 2010 collections \$43M less than FY09 collections
- **SB 200 Budget Programs Allocations**

# FY 2011

## State General Fund Reductions

FY'11 SGF Adjusted AOB	Reductions	FY'11 SGF Budget Request
	4%	
15,429,210	(616,768)	14,812,442
	6%	
15,429,210	(925,153)	14,504,057
	8%	
15,429,210	(1,233,537)	14,195,673

# FY 2011 State General Fund Reductions

Program	4% Reduction	6% Reduction	8% Reduction
Aviation	(288,898)	(401,513)	(577,796)
Transit	(267,675)	(433,347)	(535,351)
Rail	(8,614)	(12,922)	(17,228)
Ports	(37,064)	(55,595)	(74,127)
Data Collections	(14,517)	(21,776)	(29,035)
<b>Total Reductions</b>	<b>(616,768)</b>	<b>(925,153)</b>	<b>(1,233,537)</b>

# FY 2011

## SGF Reduction Impacts

Program	Program Impacts
<p><b>Aviation</b></p>	<ul style="list-style-type: none"> <li>•Negatively impact the reach of the Airport Aid and Air field pavement conditions performance measures. Will also decrease the program delivery where projects are dependent on this level of service.</li> <li>•6%-8% reduction level would likely result in the reduction of project funding for the Fitzgerald Airport. The project is to extend runway 500 to 5500. Under the 6% reduction scenario portion of the project would have to be deferred or phased until 2012.</li> </ul>
<p><b>Data Collections</b></p>	<ul style="list-style-type: none"> <li>•Directly impacts the Department’s ability to provide timely and accurate crash records.</li> </ul>
<p><b>Transit</b></p>	<ul style="list-style-type: none"> <li>•Reduces funding needed to replace transit buses that have reached their useful. Also will reduce funding for procurement of critical items such as vans, transmission, engines and other capital maintenance items.</li> </ul>
<p><b>Rail</b></p>	<ul style="list-style-type: none"> <li>•Negatively impacts ability to oversee program</li> </ul>
<p><b>Ports</b></p>	<ul style="list-style-type: none"> <li>•Reduces funding for maintenance</li> <li>•8% reduction will reduce funds available for property tax payments.</li> </ul>

# FY2011 Estimated Motor Fuel

- Motor Fuel estimated at \$850M  
\$43M decrease from FY09 collections.
  - Prepaid rate adjusted from \$.110 per gallon to \$0.071 per gallon starting in January 2009
  - The January 2009 change in prepaid tax rate resulted in an average loss of \$17.4M per month for the remainder of the FY2009 fiscal year

# FY 2011 Enhancement Request

<b>General Obligation Bond Request:</b>	
Inner City Rail (Commuter) Matching for Federal funds	\$16,000,000
Freight Rail Rehabilitation	\$ 10,841,000
<b>Total General Obligation Bond Request</b>	<b>\$26,841,000</b>
<b>Additional Request:</b>	
\$ 190M GO Bond Debt Service Relief <i>(Multiple year phase-in)</i>	Phase-In
\$122M 1% Prepaid Sales & Use Tax <i>(Multiple year phase-in)</i>	Phase-In
<b>Total Enhancement Request</b>	<b>\$26,841,000</b>

# FY 2011 Enhancement Request

Inner City Rail \$16,000,000

\$16M GO Bond Funds needed for State Matching Funds



Federal Transit Administration Funds	\$67,500,000
Non Match portion (less)	\$2,970,000
Federal Transit Administration Funding (Requiring state match)	\$64,530,000
Required State Match Amounts	\$16,000,000

# FREIGHT RAIL REHABILITATION

## \$10,841,000

### Rehabilitation of freight rails:

- Rochelle to Preston (96 miles) - \$3,141,000
- Midville to Kirby (22 miles) - \$3,600,000
- Cuthbert to Lynn(67 miles) - \$4,100,000

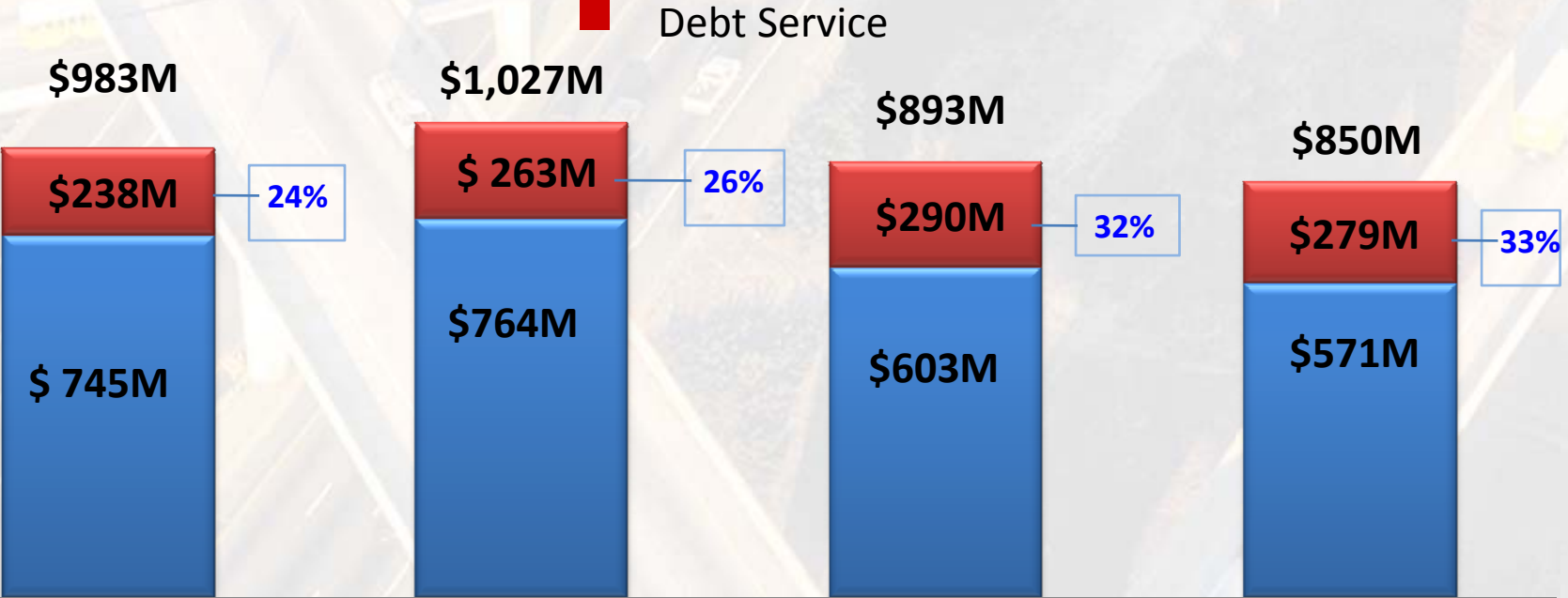


Rehabilitation will include replacement of deteriorated wood cross ties, worn rail, replenishment of ballast, repair of highway/rail at grade crossings, and some bridge and culvert/drainage work.

Completing this rehabilitation will allow the railroad to operate at Federal Rail Administration class II standards; thereby ensuring safer and more efficient rail operations.

Request is for **\$10,841,000** in General Obligation Bonds.

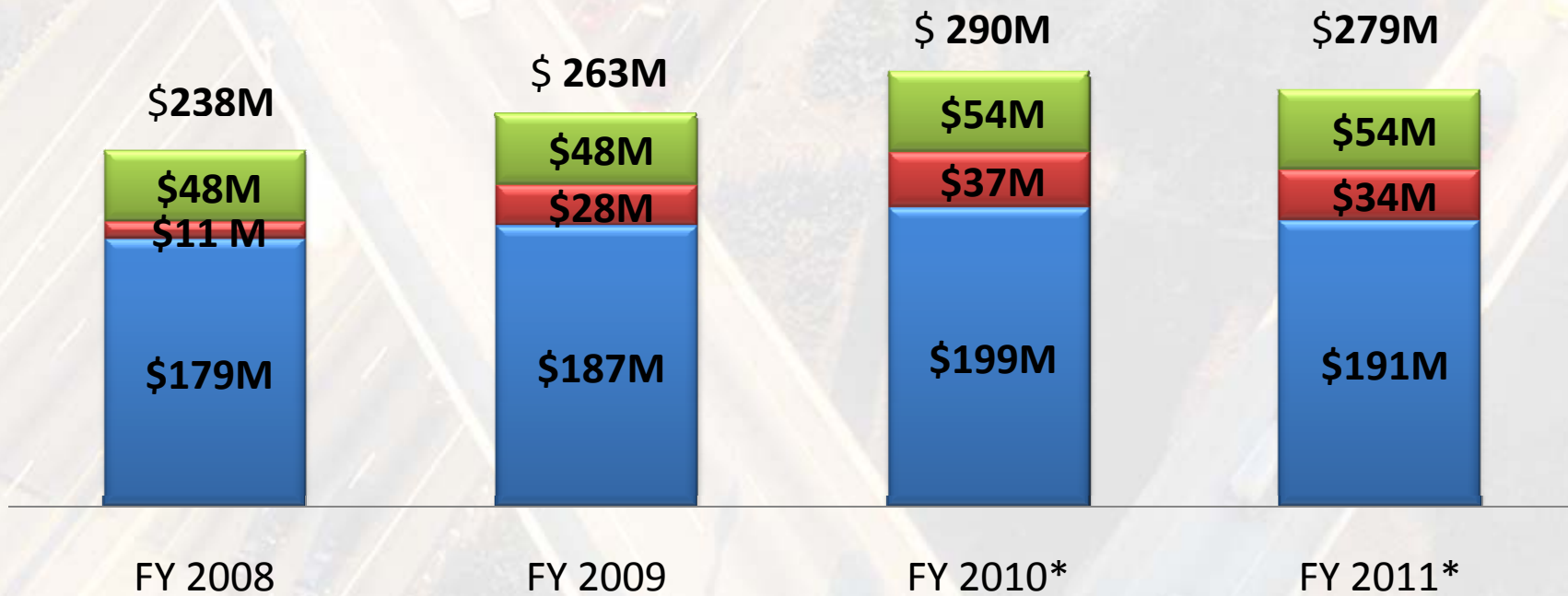
# Motor Fuel Collections Comparison FY07 - FY10



FY2007 Collection-Budget Year 2008    FY 2008 Collections-Budget Year 2009    FY 2009 (Unaudited Collections)- Budget Year 2010    FY 2010 (Estimated Collections)- Budget Year 2011

# Debt Service Payments FY07 - FY10

■ GO Bonds ■ GARVEE ■ GRB



\*FY 2010 based on unaudited FY09 collection, FY2011 estimated

# GO BOND DEBT SERVICE RELIEF

## \$190M

(Phased In over multiple years)

- GDOT is the only State agency required to pay debt service on GO Bonds.
  - Instituted in 1991, this was intended to be a one time debt service payment.
  - In FY 2010, approximately 23% of Motor fuel funds collected will go to cover GO Bond Debt Service.
- As the Motor Fuel collections decline, the payment of 100% of the General Obligation Debt will negatively impact the Department's ability to:
  - Fully match federal funding
  - Effectively operate the Department
  - Maintain required oversight on projects
- This request would allow the GDOT to critical areas of the Department's operations.

# **1% PREPAID SALES AND USE TAX - \$122M\***

**(Phased In over multiple years)**

- Of the 4% prepaid tax that is collected on motor fuel sales, 3% is appropriated to GDOT, and the other 1% is remitted to the State General Fund.
- With the decline in motor fuel tax revenue and the steadily increasing price of construction, the 3% received by the Department is not sufficient to cover needed capital outlay and maintenance expenditures, and the associated general operating expenditures.
- The approval of this request would enable the Department to better utilize current financial resources and limit the amount of debt financing needs.
- Without the additional funding, the Department would continue to have challenges funding transportation projects.

*Estimated based on unaudited FY09 collections*

# SB200 Allocations

## Three programs defined in law:

### 1. Asset Management Program

Purpose: “Long-Term state-wide strategic transportation plan and shall be available for administration, maintenance, operations and rehabilitation of infrastructure.

### 2. Asset Improvement Program

Purpose: “ Capital Projects which may include new capacity , expansion of current infrastructure, safety improvement, or completion or additional to and capital improvement or state strategic corridors and economic development highways including but not included to those identified in pursuant to code 32-4-22”

### 3. Local Roads Program

Purpose: “ Replaces funds formerly available under the local assistance road program and state-aid program”

- *“Funds allocated each fiscal year for the local maintenance and improvement grant program shall be not less than 10 percent nor more than 20 percent of the money derived from motor fuel taxes.” Range \$85M to \$170M*

# FY 2011 Motor Fuel (Spending Priorities)

	Low-End	High-End
<b>Motor Fuel Tax Funds</b>	<b>850,000,000</b>	<b>850,000,000</b>
Spending Priorities:		
<b>Debt Service</b>	<b>(278,666,987)</b>	<b>(278,666,987)</b>
GO Bonds	(190,615,041)	(190,615,041)
GRB Debt Service	(51,003,496)	(51,003,496)
GARVEE	(37,048,450)	(37,048,450)
<b>General Operations</b>	<b>(341,600,000)</b>	<b>(341,600,000)</b>
<b>Emergencies</b>	<b>(8,400,000)</b>	<b>(8,400,000)</b>
<b>District Maintenance</b>	<b>(6,000,000)</b>	<b>(6,000,000)</b>
<b>Matching for Federal-Aid Program</b>	<b>(254,000,000)</b>	<b>(254,000,000)</b>
<b>Available for SB 200 Requirements</b>	<b>(38,666,987)</b>	<b>(38,666,987)</b>
<b>Local Assistance Requirement</b>	<b>(85,000,000)</b>	<b>(170,000,000)</b>
<b>Short fall</b>	<b>(123,666,987)</b>	<b>(208,666,987)</b>