Oregon

Theodore R. Kulongoski, Governor

Department of Transportation
Office of the Director
355 Capitol St. NE
Rm 135
Salem, Oregon 97301-3871

DATE: October 6, 2005

TO: Oregon Transportation Commission

FILE CODE:

Lorna Youngs

FROM: Lorna Youngs
Director

SUBJECT: **Workshop #1** ~ Recommended 2008-2011 STIP Targets and 2006-2011 Agency Funding Allocations

Requested Action:
Adopt 2008-2011 STIP Targets and 2006-2011 Agency Funding Allocations.

Background:
For the past several years the Commission has used the October workshop, following the Legislative session, to set broad parameters and direction for building the STIP targets, setting funding allocations, providing direction for budget work, and articulating areas of program emphasis.

This staff report contains recommended funding allocations for the agency and the STIP as well as the rationale used in the development of the recommendation. The recommendation presented reflects modest allocations of new federal funding to provide some enhanced capacity in support of high priority efforts.

This report provides an overview of the basis for the recommendation and discusses:

A. Guiding Principles

B. Emerging Issues

C. Major Initiative Funding Proposals

D. Financial Assumptions

E. Staff Recommended Agency Funding Allocations and STIP Program Levels

A. Guiding Principles
The Department used the following guiding principles in the development of its recommendation. These principles are based on thematic priorities contained within several documents: ODOT's Strategic Direction, the Governor's principles for Oregon, the Oregon Benchmarks and performance measures, and the Oregon Transportation Plan.

1. Safety. Safety is essential. Oregonians expect and deserve our utmost dedication to planning, designing, building, preserving, managing, operating and maintaining a safe transportation system.

2. Accessibility and Mobility. We must strive to improve mobility and in so doing balance the needs associated with moving people and the needs associated with moving goods, both within and between communities.

3. Economic Competitiveness. Transportation is key to our state's economic competitiveness. To paraphrase from Governor Kulongoski's speech at the Leadership Summit, December 1, 2003: Transportation's role in the state's economy cannot be understated. A vital multimodal transportation system, including air, water and land, is a key component to sustained economic development.

4. Livable Communities. Transportation impacts the livability of Oregon's communities. Oregon has received national attention for years regarding its land use planning, development of city centers, mixed use developments and more. These important gains should not be mitigated or undermined.

5. Customer Service. ODOT's customers and constituents must know that our goal is to provide them with superior customer service. We must provide a transportation system that is safe, reliable and offers connectivity to our communities, businesses and the various modes of transportation. Beyond the transportation infrastructure, it is crucial that we provide our many customers with easy and efficient and secure access to our business services.

6. Public Trust. ODOT has a weighty responsibility - *Stewardship*: Stewardship of the public's funds. Stewardship of the public's well-being as they travel. Stewardship of the state's transportation assets. Stewardship to act on behalf of the greater and long term good of the state and its resources, be they natural, human, financial, or transportation.

7. Management of the System: Program, Asset, Financial, Risk, and Information Management. We must responsibly manage the aspects of the system for which ODOT has responsibility and involvement. Via partnerships and productive relationships with other public entities and the private sector we seek to provide leadership for the entire system.

B. Emerging Issues

As we enter into these discussions it is important to consider what is different about ODOT's operating environment as compared to two years ago when the Commission determined the 2006-2009 STIP and related budget levels.

External emerging issues which will increasingly require attention and resources include:

- Continued decline in highway infrastructure condition and capacity in spite of recent additions in funding.
- Establishing a list of projects of statewide significance has created expectations that these projects will be funded although most have no funding identified.
- The I-5 Columbia River Crossing Project will be the largest highway project built in Oregon since the Interstate itself was built.
- Project readiness: because of lack of funding, the Development STIP does not have an adequate number of projects "in the queue" to produce projects that are ready to move to construction status.
- Measure 37 may result in increased project costs due to the need to purchase right of way or easements instead of relying on traditional land use controls.
- New federal requirements to increase coordination with local governments.
- The cost of credit card fees related to e-government.
- The cost of implementing the federal REAL ID Act.
- An aging population.

Internal department infrastructure issues which are beginning to require attention and resources include:

- Aging buildings
- Aging business software
- Aging computer hardware
- Obsolescence of the statewide analog radio system
- Microsoft XP computer operation system replacement and related business system reprogramming
- Aging Green Light facilities and equipment
- Asset management

C. Major Initiative Funding Proposals

Draft allocations for the 2007-2009 timeframe are already in place based on the program target levels set in the 2006-2009 STIP. In order to support orderly financial and transportation planning by local governments as well as ODOT, STIP funding levels are set in advance of the Governor's Agency Request Budget. Another result of setting the STIP level is to essentially predetermine the funds available for the divisions other than Highway in advance of the state's biennial budget development process and legislative process. Of course, the Governor and Legislature determine actual budget levels.

To prepare you for your decision, we organized this discussion differently than in past years. We also have the prospect of additional federal funding to consider. It remains true that the majority of funds received by the Department will be dedicated, literally, to highway construction and maintenance priorities. For example, in 2006-2007, new federal funds make it possible to move more projects into construction, and in 2008-2011 we are proposing to restore modernization funding levels.

Additional federal funding, however, has prompted us to more closely examine critical non-highway needs and the opportunities to fund them. We are recommending funding in the following non-highway areas:

> Building Replacement or Repair – The Department owns various types of buildings all over the state, most of which house employees. Buildings age or become inadequate due to increased or new demands. This proposal establishes a modest budget to repair or replace buildings on a priority basis. ($13.7 million)
>
> DMV Automated Testing Devices – The automated testing devices used to administer driver license knowledge examination is aging and the risk of equipment failure is significant. In addition, increasing costs for maintenance and increasing difficulty in securing hardware replacement parts threaten the Department's ability to deliver this service. ($1.4 million)
>
> DMV Imaging Equipment – REAL ID ACT – New federal legislation requires compliance by May 2008 with new requirements for driver license and identity card eligibility criteria, changes in the physical appearance of licenses, changes in license security features, and requires ODOT to keep electronic copies of identity source documents. This funding will fund document imaging and necessary changes to existing computer systems. ($1.0 million)
>
> Motor Carrier Merchant Fees – The trucking industry is increasing its use of the Trucking Online internet-based service to complete numerous transactions with the Department. The Department currently absorbs the cost of the merchant fees to encourage companies to use Trucking Online. The success of Trucking Online is resulting in a significant increase in merchant fee costs and will exceed current budget resources. The merchant agreement between US Bank and the State of Oregon does not allow merchant fees to be charged to the state. ($2.4 million)
>
> Motor Carrier Transponders – The Department provides the initial transponder to trucking companies when they enroll in the Green Light, ODOT's pre-clearance, weigh-in-motion program. This funding will purchase transponders and allow the Department to continue to expand the program. ($.5 million)

Rail Passenger Service – This funding will provide stable funding for the second passenger train from Eugene to Portland and replace funding from the state's General Fund. ($9.0 million)

Rail Crossing Safety – This funding will replace passive (signs) and active (flashing lights and gates) warning devices at rail crossings with devices that comply with federal standards and meet requirements for continued federal funding. ($5.5 million)

Transit Improvement Projects – Subject to development of project selection criteria, funds would be available for a variety of transit system operational improvements, including for example technology solutions to improve the efficiency of fueling, ticketing, run times, real time bus scheduling and data collection. Other types of projects that may be considered include intercity Park and Ride Connections, and development of new transit solutions in critical congested corridors. ($3.0 million)

Transit Vehicle Replacement – This request would provide additional funding to transit providers to replace aging and inefficient buses, thereby reducing operating costs and contributing to the delivery of safe, efficient and reliable transit services. ($6.0 million)

Detailed financial information for each request is found in Attachment H.

D. Financial Assumptions

The Department used specific financial assumptions that are consistent with past practices and sound fiscal management to recommend STIP targets and funding allocations. We are indeed fortunate that we are discussing a funding increase as opposed to a funding decrease, and we therefore are not recommending any reductions in future budgets for individual divisions or programs. We also assumed that the apportionment of funds across ODOT's divisions and programs is *relatively* correct. In other words, our recommendation largely maintains the same proportional distribution of funds within the agency.

Specifically, we used the following financial assumptions:

1. Obligation limitations on Federal revenue will materialize at 92%.
2. State revenue will show a slight increase during this period.
3. Debt service for the Bridge program will begin in 2010 at $31M per year.
4. Debt service for the Modernization program will begin in 2008 at $25M per year.
5. Non-Capital programs were inflated at 2% in 2010 & 2.6% in 2011 using 2009 as the baseline.
6. Capital programs were inflated at 4% per year in 2010 & 2011 using 2009 as the baseline.
7. Federal funding will continue at 2009 levels for years 2010 and 2011.

Department Recommendation:

E. Recommended Agency Funding Allocations and STIP Program Levels

The Department's recommended 2008-2011 STIP Targets and 2006-2011 Funding Allocations are contained in Attachment A. Included in the recommendation is funding for the following specific purposes. A summary of funding needs by year is contained in Attachments H and I.

Next Steps:

1. OTC identifies any options contained in this report that require further follow-up.
2. OTC confirms 2006-2011 funding allocation at the December Commission meeting.
3. OTC approves Draft 2008-2011 STIP program targets at the December Commission meeting.

Enclosures:

Attachment A – Agency funding allocations
Attachment B – Locals' funding allocations
Attachment C – Federal Funding Changes
Attachment D – State OTIA and Earmarked funds
Attachment E – Local OTIA and Earmarked funds
Attachment F – Highway funding profile
Attachment G – Summary of "non-Highway" needs
Attachment H – Summary of Highway needs
Attachment I – Assumptions

Copies (w/enclosures) to:

Chris Warner, Governor's Office
Ray Naff, Economic Revitalization Team
Area Commissions on Transportation (ACTs)
Metropolitan Planning Organizations (MPOs)
Association of Oregon Counties
League of Oregon Cities
ODOT STIP Stakeholder Committee
ODOT Executive Staff

ODOT Sources and Uses of Funds

	STATE FISCAL YEAR (dollars in Millions)					
	2006	2007	2008	2009	2010	2011
REVENUE						
Net State Revenue (Sept. 2005 Forecast)*	$603.1	$609.2	$624.8	$633.7	$650.5	$658.3
Miscellaneous Revenues	$23.2	$25.4	$19.8	$18.6	$18.6	$18.6
Other State Funds	$16.5	$16.6	$16.9	$17.0	$17.3	$17.4
Less OTIA I&II (debt service)	($21.3)	($37.0)	($40.8)	($40.8)	($41.9)	($41.9)
OTIA III (debt service)	$0.0	($5.5)	($26.9)	($48.9)	($62.0)	($63.2)
OTIA III Program Management Costs	($25.0)	($25.0)	($25.0)	($25.0)	($25.0)	($25.0)
Fuels Tax Program	($1.4)	($1.5)	($1.5)	($1.6)	($1.7)	($1.7)
Interagency Transfers	($23.3)	($23.3)	($24.1)	($24.4)	($25.1)	($25.5)
Subtotal: Net State Revenue	$571.8	$558.9	$543.2	$528.6	$530.7	$537.0
Federal Revenue (Limitation at 92%)	$262.3	$278.6	$289.9	$293.1	$293.1	$293.1
Minimum Guarantee Exempt	$5.0	$5.0	$5.0	$5.0	$5.0	$5.0
Federal Revenue - FTA	$11.5	$11.9	$12.9	$13.6	13.6	13.6
Federal Revenue - Motor Carrier	$2.3	$2.4	$2.5	$2.6	$2.6	$2.6
Federal Revenue - Safety	$8.8	$8.8	$9.0	$9.0	$9.2	$9.2
Local Match (TE & OTN)	$6.3	$6.1	$6.5	$6.5	$6.7	$6.5
Subtotal: Net Federal/Other Revenue	$296.2	$312.8	$325.8	$329.8	$330.2	$330.0
Carryover Revenue from Previous Year	$138.9	$179.5	$231.8	$218.3	$163.6	$88.9
TOTAL REVENUE**	$1,006.9	$1,051.2	$1,100.8	$1,076.8	$1,024.5	$956.0
TRANSFERS						
Highway Division	$633.6	$620.5	$643.1	$660.1	$676.9	$694.5
TPD	$33.2	$33.2	$34.0	$34.8	$35.7	$36.6
Rail	$11.0	$11.1	$10.7	$10.8	$10.9	$11.0
Transit	$25.9	$26.4	$28.5	$29.3	$28.8	$28.9
Safety	$13.2	$13.3	$13.5	$13.6	$13.9	$14.0
DMV	$78.0	$81.1	$84.4	$87.9	$91.3	$93.2
Motor Carrier	$31.7	$33.0	$34.0	$35.4	$37.0	$37.7
TEAMS Replacement	$0.0	$0.0	$0.0	$7.0	$7.0	$6.0
Building Renovation	$0.0	$0.0	$5.0	$5.0	$5.0	$5.0
Buildings (Repair/Replace)	$0.0	$0.0	$3.5	$3.5	$3.4	$3.3
Minimum Ending Cash Balance	$0.0	$0.0	$25.0	$25.0	$25.0	$25.0
Parks -- Recreational Trails (Federal Revenue)	$0.8	$0.8	$0.8	$0.8	$0.8	$0.8
TOTAL TRANSFERS	$827.4	$819.4	$882.5	$913.2	$935.6	$956.0
NET ALLOCATION	$179.5	$231.8	$218.3	$163.6	$88.9	$0.0

* Net to State after subtracting County/City Apportionments.

** Does not include Local funding which is depicted on the next tab.

*** 2006 reflects the sum of net increases in both '05 & '06.

Local Revenue Sources

	STATE FISCAL YEAR (Dollars in Millions)					
	2006	2007	2008	2009	2010	2011
STATE REVENUE TO LOCALS						
City/County Apportionment	$305.0	$311.4	$313.5	$322.0	$323.4	$332.4
Subtotal - State	$305.0	$311.4	$313.5	$322.0	$323.4	$332.4
FEDERAL REVENUE TO LOCALS						
Local Bridge	$15.6	$16.6	$17.3	$17.5	$17.5	$17.5
CMAQ	$12.4	$13.2	$13.7	$13.9	$13.9	$13.9
Federal Revenue (Limitation at 92%)	$23.9	$25.4	$26.4	$26.7	$26.7	$26.7
Local STP	$17.5	$18.6	$19.3	$19.6	$19.6	$19.6
Metro Planning	$2.1	$2.3	$2.4	$2.4	$2.4	$2.4
FTA	$65.1	$65.1	$65.1	$65.2	$65.2	$65.2
Subtotal - Federal	$136.6	$141.2	$144.2	$145.3	$145.3	$145.3
TOTAL REVENUE TO LOCALS	$441.6	$452.6	$457.7	$467.3	$468.7	$477.7

Note: Does not include any local tax revenue that goes to transportation.

Federal Formula Funding

Federal Revenue (millions) Formula	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Total
June 2003 FHWA Estimated Limitation (87%, less local program)	$237.1	$244.7	$251.8	$258.1	$258.1	$258.1	$1,507.9
SAFETEA-LU Estimated Limitation (92%, less local program)	$262.3	$278.6	$289.9	$293.1	$293.1	$293.1	$1,735.1
Net Increase/Decrease in Estimated Federal Revenue	$35.5	$33.9	$38.1	$35.0	$35.0	$35.0	$212.5

* The amount depicted in the net increase field for 2006 reflects the increases for both 2005 and 2006.
* The increase in Federal funds is a result of new revenues from SAFETEA-LU and a change in percentage of limitation going from 87% to 92%.

State OTIA and Earmarked Funding

	STATE FISCAL YEAR (dollars in Millions)					
	2006	2007	2008	2009	2010	2011
OTIA PROGRAMS						
OTIA I & II Modernization	$43.9	$3.6	$0.0	$0.0	$0.0	$0.0
OTIA I & II Bridge	$25.1	$0.0	$0.0	$0.0	$0.0	$0.0
OTIA I & II Preservation	$1.7	$0.0	$0.0	$0.0	$0.0	$0.0
OTIA III Bridge	$258.9	$389.2	$298.8	$78.9	$0.0	$0.0
OTIA III Modernization	$225.2	$42.5	$163.9	$63.3	$0.0	$0.0
Total OTIA	$554.8	$435.3	$462.7	$142.2	$0.0	$0.0
FEDERAL EARMARKS						
Modernization Earmarks	$80.7	$10.4	$32.9	$19.8	$0.0	$0.0
Bridge Earmarks	$10.0	$10.0	$10.0	$14.3	$0.0	$0.0
I-5 Bridge Earmarks	$40.0	$40.0	$40.0	$40.0	$0.0	$0.0
Safety Earmarks	$0.0	$0.0	$1.0	$4.9	$0.0	$0.0
Operations Earmarks	$2.9	$2.9	$0.0	$1.8	$0.0	$0.0
Enhancement Earmarks	$0.4	$0.0	$0.0	$0.0	$0.0	$0.0
Planning Earmarks	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total Earmarks	$134.0	$63.3	$83.9	$80.8	$0.0	$0.0
TOTAL PROGRAMS	$688.8	$498.6	$546.6	$223.0	$0.0	$0.0

Note: a) $410.7M of OTIA I/II was programmed prior to 2006.
b) $274.2M of OTIA III Bridge was programmed prior to 2006.
c) $5M of OTIA III Modernization was programmed prior to 2006.
d) $245.3M in OTIA I/II bonds have been issued to date.
e) FY 2006 earmark revenue also includes FY 2005 earmark revenue.
f) The impact of HSIP funding on safety is not known at this time.

Local OTIA and Earmarked Funding

	STATE FISCAL YEAR (dollars in Millions)					
	2006	2007	2008	2009	2010	2011
OTIA PROGRAMS						
OTIA I & II Modernization	$0.0	$0.7	$0.0	$0.0	$0.0	$0.0
OTIA I & II Bridge	$6.0	$0.0	$0.0	$0.0	$0.0	$0.0
OTIA I & II Preservation	$8.4	$0.0	$0.0	$0.0	$0.0	$0.0
OTIA III Bridge	$50.0	$50.0	$50.0	$50.0	$50.0	$50.0
OTIA III Modernization	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total OTIA	$64.4	$50.7	$50.0	$50.0	$50.0	$50.0
FEDERAL EARMARKS						
Modernization Earmarks	$16.0	$4.0	$105.3	$4.0	$0.0	$0.0
Bridge Earmarks	$3.2	$1.6	$1.6	$1.6	$0.0	$0.0
Operations Earmarks	$3.6	$1.8	$1.8	$1.8	$0.0	$0.0
Enhancement Earmarks	$1.8	$0.9	$0.9	$0.9	$0.0	$0.0
Bicycle/Pedestrian Earmarks	$2.7	$1.4	$1.4	$1.4	$0.0	$0.0
Culvert Earmarks	$0.1	$0.0	$0.0	$0.0	$0.0	$0.0
Preservation Earmarks	$0.2	$0.1	$0.1	$0.1	$0.0	$0.0
Rail Earmarks	$0.2	$0.2	$0.2	$0.1	$0.0	$0.0
Planning Earmarks	$0.0	$0.0	$1.0	$0.0	$0.0	$0.0
Total Earmarks	$27.8	$10.0	$112.3	$9.9	$0.0	$0.0
TOTAL PROGRAMS	$92.2	$60.7	$162.3	$59.9	$50.0	$50.0

Note: a) OTIA III Bridge money was issued to the Locals in a lump sum. For the purposes of this profile, the money was evenly spread over six years.
b) The OTIA I & II programs are administered and run by the State.
c) Safe routes to schools and rural at risk roads will not be known until FHWA writes the rules.

Highway Division Funding Profile

	2006	2007	2008	2009	2010	2011
CAPITAL PROGRAMS	06-09 STIP Actuals				OTC Targets	
Preservation	134.1	111.6	111.6	120.3	125.4	130.7
Bridge	*82.2*	*75.8*	*77.4*	*79.2*	*50.1*	*52.1*
Bridge: major bridge maintenance	*6.0*	*6.0*	*6.2*	*6.5*	*6.8*	*7.0*
Bridge: overpass screening	*0.6*	*0.2*	*0.0*	*0.0*	*0.0*	*0.0*
Bridge Debt Service (OTIA III)	*0.0*	*0.0*	*0.0*	*0.0*	*31.0*	*31.0*
Bridge Total	88.8	82.0	83.6	85.7	87.9	90.1
Operations	*11.3*	*6.9*	*9.3*	*9.6*	*10.0*	*10.4*
Operations: slides, rockfalls & culverts	*4.7*	*18.5*	*2.9*	*3.0*	*3.1*	*3.2*
Operations: ITS	*4.3*	*3.1*	*3.8*	*4.0*	*4.2*	*4.3*
Operations: signals, signs, illumination	*5.1*	*2.1*	*3.7*	*3.9*	*4.1*	*4.2*
Operations: TDM	*0.7*	*0.7*	*0.8*	*0.9*	*0.9*	*1.0*
Operations Total	26.1	31.3	20.5	21.4	22.3	23.1
Safety	*24.6*	*26.6*	*26.5*	*27.6*	*28.7*	*29.9*
Safety Total	24.6	26.6	26.5	27.6	28.7	29.9
Modernization	*46.0*	*54.3*	*50.7*	*50.5*	*51.2*	*51.2*
IOF	*3.5*	*3.5*	*3.5*	*3.5*	*3.5*	*3.5*
Modernization Debt Service (OTIA III)	*0.0*	*0.0*	*25.0*	*25.0*	*25.0*	*25.0*
Modernization Debt Service (LSN)	*3.2*	*3.2*	*3.2*	*3.2*	*3.2*	*3.2*
Funding of Development STIP	*0.0*	*0.0*	*1.3*	*1.3*	*1.3*	*1.4*
Protective ROW Purchasing	*0.0*	*0.0*	*1.3*	*1.3*	*1.3*	*1.4*
Modernization Total	52.7	61.0	84.9	84.7	85.5	85.6
Special Programs (Direct)						
Salmon	3.6	3.2	3.7	3.9	4.1	4.2
Non-NBI Culverts	2.4	2.4	2.5	2.6	2.7	2.8
Transportation Enhancement	6.8	3.8	5.8	6.1	6.3	6.6
Bike/Ped	5.5	5.6	5.6	5.6	5.8	6.1
State Contribution to Local Program (match)	0.5	0.5	0.0	0.0	0.0	0.0
	345.1	**328.0**	**344.7**	**357.9**	**368.6**	**379.1**

NON-CAPITAL PROGRAMS	2006	2007	2008	2009	2010	2011
Maintenance						
Operations/Special Programs/Permits	3.6	3.7	3.6	3.7	3.8	3.9
Surface, Shoulder, LVR, & Contr.	46.0	47.2	53.0	54.0	55.1	56.5
Drainage & Culvert Retrofit	8.1	8.3	8.1	8.3	8.5	8.7
Roadside & Vegetation	18.1	18.6	18.1	18.5	18.9	19.4
Traffic Services & ITS	27.3	27.9	27.2	27.9	28.5	29.2
Bridge	8.8	9.3	8.8	9.0	9.2	9.4
Snow & Ice & Extra Ordin. (ER)	34.5	35.3	34.3	35.2	35.9	36.8
Snow Parks	2.4	2.3	2.2	2.2	2.2	2.3
Risk Management	3.7	3.8	3.7	3.8	3.9	4.0
Youth Litter	2.4	2.4	2.4	2.4	2.4	2.5
Total - Maintenance	154.9	158.8	161.4	165.0	168.3	172.7
Utility Relocation Permits (HB3068)	2.3	2.3	2.4	2.4	2.4	2.5
Special Programs	64.6	64.6	66.2	66.2	67.5	68.9
Central Services (Assessments and Other)	66.7	66.8	68.4	68.6	70.0	71.4
	288.5	**292.5**	**298.4**	**302.2**	**308.2**	**315.4**

Total	**633.6**	**620.5**	**643.1**	**660.1**	**676.9**	**694.5**

Highway Division Funding Recommendations

	2006	2007	2008	2009	2010	2011
Preservation	24.3		(7.0)	(7.0)	(7.0)	(7.0)
Operations: slides, rockfalls & culverts	2.5	15.1				
Modernization			26.8	25.0	23.0	23.0
Maintenance - Surface, Shoulder, LVR, & Contr.	1.5	1.5	8.5	8.5	8.5	8.5
Maintenance - Roadside & Vegetation	0.5	0.5	0.5	0.5	0.5	0.5
Maintenance - Traffic Services & ITS	0.5	0.5	0.5	0.5	0.5	0.5
Maintenance - Bridge	0.5	0.8	0.5	0.5	0.5	0.5
Maintenance - Snow & Ice & Extra Ordin. (ER)	2.0	2.0	2.0	2.0	2.0	2.0
Total	31.8	20.4	31.8	30.0	28.0	28.0
			Grand Total			170.0

* The Chip Seal program was moved from Preservation to Maintenance in years 2008-2011, reducing Preservation and increasing Maintenance by $7M each year.
** New Federal funds were used to restore Modernization to its pre-debt service levels, increase funding in culverts and to increase Maintenance funding due to rising fuel and other material costs.

Non-Highway Division Funding Needs

	2006	2007	2008	2009	2010	2011
Buildings (Repair / Replace)	0.00	0.00	3.50	3.50	3.40	3.30
DMV -- Automated Testing Devices	0.00	0.00	0.70	0.70	0.00	0.00
DMV -- Imaging Equip (Real ID Act)	0.50	0.50	0.00	0.00	0.00	0.00
Motor Carrier -- Merchant Fees	0.35	0.35	0.35	0.35	0.50	0.50
Motor Carrier -- Transponders	0.25	0.25	0.00	0.00	0.00	0.00
Rail -- Passenger Rail	0.00	0.00	2.25	2.25	2.25	2.25
Rail -- Warning Devices	2.75	2.75	0.00	0.00	0.00	0.00
Transit -- Improvement Projects	0.00	0.00	1.00	1.00	0.50	0.50
Transit -- Vehicle Replacement	1.00	1.00	1.00	1.00	1.00	1.00
Total	4.85	4.85	8.80	8.80	7.65	7.55
			Grand Total			42.5

Assumptions

1. Obligation limitations on Federal revenue will materialize at 92%.
2. State revenue will show a slight increase during this period.
3. Debt service for the Bridge program will begin in 2010 at $31M per year.
4. Debt service for the Modernization program will begin in 2008 at $25M per year.
5. Non-Capital programs were inflated at 2% in 2010 & 2.6% in 2011 using 2009 as the baseline.
6. Capital programs were inflated at 4% per year in 2010 & 2011 using 2009 as the baseline.
7. Federal funding will continue at 2009 levels for years 2010 and 2011.