



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #795

### **Across-the-Board 1% Reductions to All Moneys Received Appropriations (DOT -- Departmentwide)**

[LFB 2009-11 Budget Summary: Page 648, #2 (part)]

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#### **CURRENT LAW**

The Department of Transportation (DOT) has several service funds, local funds, and program revenue funds appropriations (classified as "SEG-S," "SEG-L," and "PR," respectively) that authorize the expenditure of "all moneys received" from specified sources. For these appropriations, the Chapter 20 appropriation schedule typically reflects an estimate of the amounts received, but these amounts are not binding on the amount received or expended.

#### **GOVERNOR**

Delete \$2,057,100 SEG-S, \$1,066,900 SEG-L, and \$26,700 PR annually as part of an across-the-board 1% reduction in most non-federal appropriations. These reductions are shown below, by appropriation. [The Department's SEG appropriations were also subject to a 1% reduction, but this paper is limited to addressing the SEG-S, SEG-L, and PR appropriations.]

<u>Fund</u>	<u>Appropriation</u>	<u>Base</u>	<u>Annual Reduction</u>
SEG-S	Major highway development	\$167,395,600	-\$1,674,000
SEG-S	Capital building projects	6,000,000	-60,000
SEG-S	Data processing services	15,006,500	-150,100
SEG-S	Fleet operations	12,103,500	-121,000
SEG-S	Other department services, operations	5,202,300	-52,000
SEG-L	Transit and other transportation-related aids	110,000	-1,100
SEG-L	Elderly and disabled aids	605,500	-6,100
SEG-L	Rail service assistance	500,000	-5,000
SEG-L	Freight rail assistance loan repayments	4,000,000	-40,000
SEG-L	Aeronautics assistance	42,000,000	-420,000
SEG-L	Local bridge improvement assistance	8,780,400	-87,800
SEG-L	Local facility improvement assistance	38,895,500	-389,000
SEG-L	Transportation economic assistance	3,625,000	-36,300
SEG-L	Congestion mitigation	3,124,700	-31,200
SEG-L	Transportation enhancements	1,682,600	-16,800
SEG-L	Bicycle and pedestrian facilities	680,000	-6,800
SEG-L	Safe routes to school	323,000	-3,200
SEG-L	State highway rehabilitation	2,000,000	-20,000
SEG-L	Departmental management and operations	369,000	-3,600
PR	Breath screening instruments	299,200	-3,000
PR	State Patrol escort and security	166,500	-1,700
PR	Traffic academy tuition payments	474,800	-4,700
PR	Chemical testing training and services	1,412,600	-14,100
PR	Public safety radio management--service funds	292,700	-2,900
PR	Public safety radio management--state funds	22,000	-300

## DISCUSSION POINTS

1. Of the Department of Transportation's SEG-S, SEG-L, and PR appropriations that would be subject to a 1% reduction under the bill, most are "all moneys received" appropriations, meaning that authorization is given to expend any amount received from the specified sources. The only exception among the affected appropriations is the PR appropriation for chemical testing training and services (in the State Patrol), for which expenditures are limited to the amounts in the Chapter 20 appropriations schedule.

2. SEG-S appropriations are those segregated fund appropriations transferred between or within state agencies for the purpose of reimbursement for services or materials. SEG-L appropriations, which are unique to DOT, are appropriations financed from local revenues (typically the local match for a project that also receives state or federal funds) that are administered through the transportation fund.

3. For these "all moneys received" appropriations, the amounts shown in the Chapter 20 appropriations schedule are typically estimates of the amounts that will be received in the fiscal year and are not binding on expenditures. Therefore, the 1% reductions under the bill for these appropriations have little substantive effect. Since the bill would generally not alter these programs in a manner that would change the actual amounts received or expended, the funding for these

appropriations could be restored in the interest of maintaining DOT's requested estimate of expenditures in the Chapter 20 appropriations schedule.

4. There is one exception to this general issue for SEG-L appropriations. The SEG-L appropriation for transportation economic assistance matches a corresponding reduction in the SEG appropriation for that program, and so represents an appropriate adjustment to the estimate.

5. There are also two exceptions for the Department's SEG-S appropriations. The SEG-S appropriations for major highway development and capital building projects are "all moneys received" appropriations, but the amounts expended are limited by the statutory authorization of revenue bonds. In this case, the amounts in the appropriations schedule under the bill, as affected by the 1% reduction, reflect the limitations imposed by the bond authorization in the bill.

6. The Department of Administration indicates that the SEG-S, SEG-L, and PR appropriations were subject to the 1% reductions in order to treat all appropriations uniformly, to the extent practical. DOA did not include the reductions from these appropriations in its calculation of the amounts that would be lapsed from agency appropriations to the general fund, so restoring the base level estimates would not impact planned lapses.

## ALTERNATIVES

1. Approve the Governor's recommendation to delete \$2,057,100 SEG-S, \$1,066,900 SEG-L, and \$26,700 PR annually as part of an across-the-board 1% reduction in most non-federal appropriations.

2. Modify the Governor's recommendation by restoring base level funding for "all moneys received" appropriations, as follows: (a) a total increase of \$323,100 SEG-S annually, for data processing services, fleet operations, and other department services appropriations; (b) a total increase of \$1,030,600 SEG-L annually for all affected SEG-L appropriations, except the appropriation for the transportation economic assistance program); and (c) a total increase of \$12,600 PR annually for all affected PR appropriations, except the appropriation for chemical testing training and services.

ALT 2	Change to Bill Funding
SEG-S	\$646,200
SEG-L	2,061,200
PR	<u>25,200</u>
Total	\$2,732,600

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