
CHAPTER 2

General Funds go to highway projects statewide

The Transportation Commission has discretion to spend General Funds.

After reserving some funding for designated purposes, the Legislature put few restrictions on WYDOT's use of General Fund appropriations for highways during the '07-'08 and '09-'10 biennia. The Legislature gave the Transportation Commission authority to expend this funding consistent with agency goals.

WYDOT policy prioritizes the use of state funds for three purposes: to match federal funding, maintain the current system, and as money is available, to maintain an adequate construction program. The Transportation Commission directed \$13.9 million of '07-'08 appropriations towards meeting federal match requirements. The remaining funding has gone to, or is planned for, highway-related projects which we examine in this chapter.

Some General Fund projects have been completed, others are underway or planned

The Legislature appropriated \$170 million for '07-'08.

The Legislature made three appropriations of General Funds for highways, in the 2006, 2007, and 2008 Sessions. The first amount appropriated, \$75 million in '06, allowed WYDOT to identify projects quickly and put this block of funding to use starting the same year. WYDOT refers to this group as '06 projects.

However, to avoid confusion, we chose to group the '06 and '07 Session appropriations together, for a total of \$170 million appropriated for use in FY '07-'08. Then, we refer to projects that use '07-'08 highway appropriations as *past projects*, and to WYDOT's plans for '08-'13 appropriations as *future projects*. The relationship is shown in Figure 2.1.

Figure 2.1
General Fund appropriations and project years

State fiscal biennium	Appropriation to WYDOT for highways	Planned initiation of project	Term used in this report
'07-'08	\$170 million	'06-'07	Past
'09-'10	\$190 million	'08-'09	Future
Future	WYDOT assumes \$200 million per biennium	'10-'13	

Source: LSO summary of WYDOT information

Almost all past General Fund projects are underway

Most projects were funded solely with General Funds.

WYDOT used General Funds on 44 past projects. As of February 2008, all of the past projects had been let and half had been completed. All but one of the past projects were funded exclusively with General Funds.

WYDOT let contracts for most of the '07-'08 appropriations, over \$145 million, to highway projects of many types, including design of some 35 future projects. It allocated the remaining funds to meet federal match requirements, purchase maintenance equipment, and cover general maintenance costs. Figure 2.2 summarizes past highway project funding (for project detail, see Appendix F).

WYDOT's plans assume continued legislative funding.

In the 2008-2013 STIP, a federally-required plan, WYDOT shows 125 future projects as being funded with General Fund appropriations (for additional information on past and future projects, see Appendices F and G). This plan assumes the agency will continue to receive \$100 million in General Funds each year.

Figure 2.2

**Past highway projects
As of February 15, 2008**

The Legislature has retained discretion over some of the appropriated funds.

Total appropriation	\$175,000,000
Transportation Commission discretion	\$169,740,000
Number of projects	44
Projects completed	23
Number of projects using only General Funds	43
Total dollars obligated	\$169,339,890
Highway projects	\$145,339,346
Other, incl. matching of federal funds	\$ 24,000,544
Dollars expended on highway projects	\$103,827,747

Source: LSO analysis of WYDOT data

WYDOT is using General Funds for a variety of roads and purposes, across the state

The remainder of this chapter considers four questions about General Fund appropriations for highways. Our analysis focuses on past projects, but also touches on WYDOT's plans for future funds.

- What kinds of projects did WYDOT select?
- On what types of roads did WYDOT do projects?
- Where were the projects?
- Would WYDOT have undertaken these projects without General Funds?

What kinds of projects did WYDOT select?

Projects include safety and pavement work.

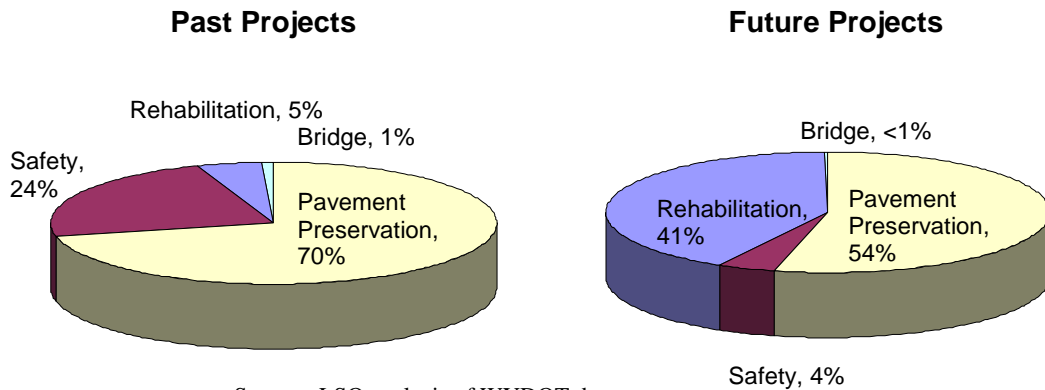
WYDOT has done, and plans to fund, a variety of projects with General Funds including pavement overlays, chip seals, widening roads, and installing cable median barriers for safety. At our request, WYDOT summarized projects according to primary purpose; the categories they chose are: safety, bridge, pavement preservation, and rehabilitation, which includes reconstruction

projects. However, the categories are somewhat fluid and many projects have multiple purposes. For example, chip seals may be safety projects or pavement preservation projects.

Past and future projects differ in purpose.

As shown in Figure 2.3, there are some differences between past and future projects. In the past, almost three-quarters of General Funds went to pavement preservation projects such as pavement overlays and chip seals, while only five percent went to rehabilitation projects. In the future, fewer General Funds will go to pavement preservation (54 percent), and more will go to rehabilitation (41 percent).

Figure 2.3
Percent distribution of General Funds by project purpose
Past and future



Source: LSO analysis of WYDOT data

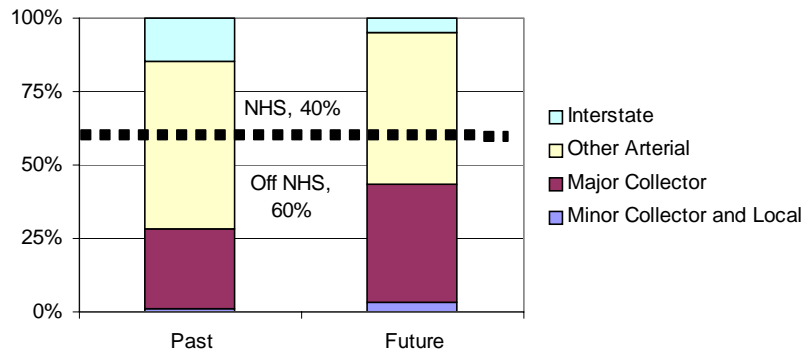
On what types of roads did WYDOT do projects?

Most past and future WYDOT projects using General Funds are on roads eligible for at least some federal as well as state funding. For both past and future projects, about 40 percent of General Funds goes to projects on the National Highway System, whose roads are eligible for federal funding.

Funds went to many types of roads.

However, WYDOT appears to be changing the way it targets funds within the categories of NHS and off-NHS. Figure 2.4 compares how past and future General Funds are distributed. In both categories, more future funds are being directed to projects on roads that have limited eligibility for federal funding.

Figure 2.4
Percent distribution of General Funds by highway type
Past and future



Source: LSO analysis of WYDOT data

Where were the projects?

Projects are located throughout the state.

With the first appropriations of General Funds during FY '07-'08, WYDOT did not distribute the money evenly around the state, instead allocating it to districts that had projects ready to let. Figure 2.5 illustrates the locations of these past projects.

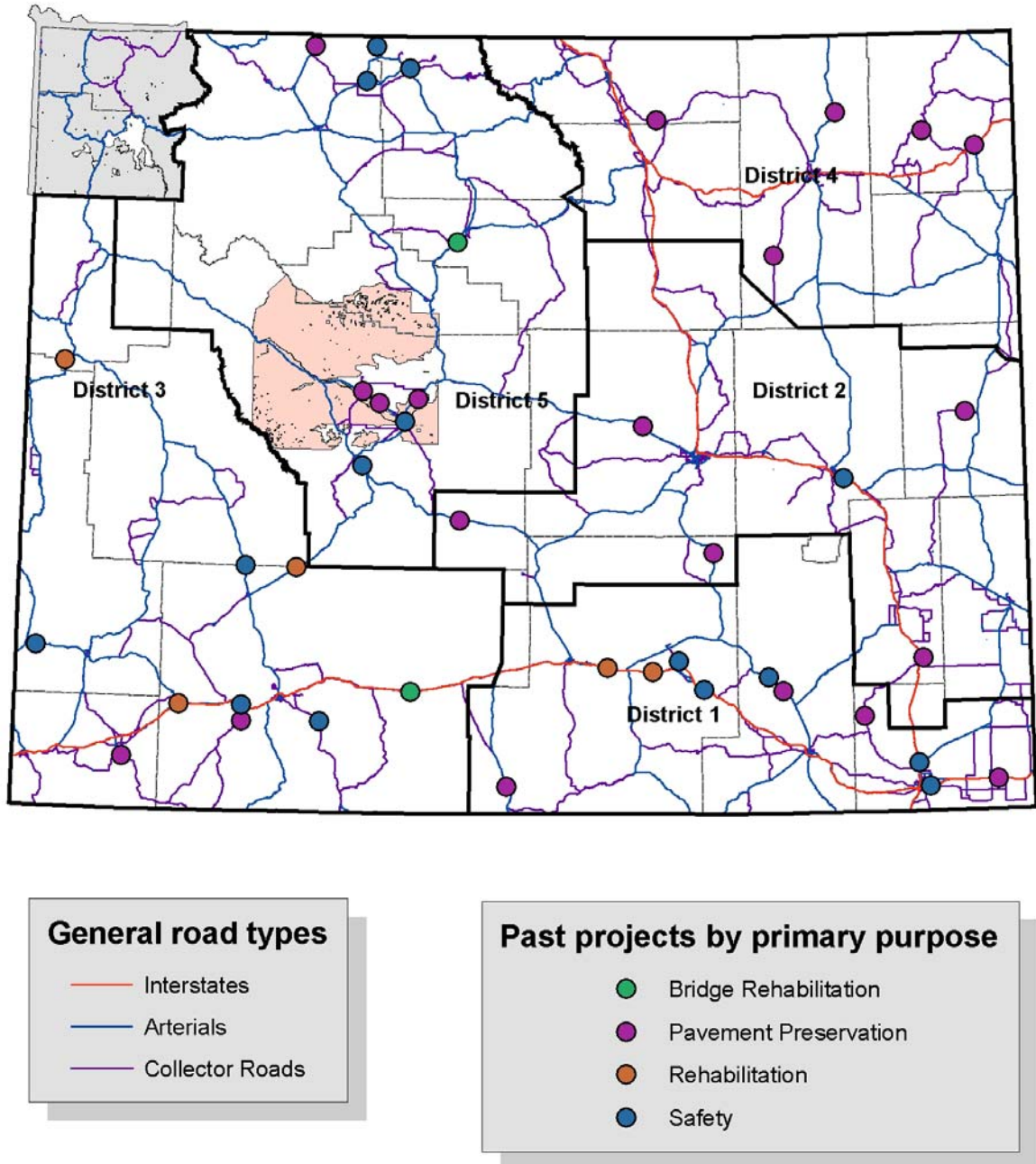
Plans for future project funding call for distribution close to equally among districts. Plans assume each district will have about \$20 million per year to use according to its priorities.

Would projects have been undertaken without General Funds?

In FFY '07, General Fund appropriations accounted for 30 percent of WYDOT's highway revenues. This new funding gave WYDOT the ability to undertake more projects, and of the 44 past projects, 43 used General Funds only. Without it, some of these projects would have been done using other funding sources, although they likely would not have been done as soon as the General Funds allowed.

Figure 2.5

Location of past projects



Source: LSO analysis of WYDOT data

WYDOT's approach to projects is changing

***Future spending will
be more targeted.***

In 2006 and 2007, WYDOT had a limited amount of time to plan how to use General Funds, so it chose to fund projects that could be let quickly since they were already designed or did not require a complicated design. In contrast, WYDOT staff informed us, the long-term intent is to use General Funds in a more targeted way: on state system roads that are not eligible for federal funds.

WYDOT anticipates that General Fund appropriations will become a part of the standard budget request beginning with the '11-'12 biennium. This, the department reports, means WYDOT now can plan future projects with more confidence of receiving state funds. However, plans for specific projects can change, as they should if such changes improve the department's ability to align funding with goals and priorities.

