

# Louisiana Senate Finance Committee



## FY18 Executive Budget

### 07 – Transportation and Development

May 2017

*Sen. John A. Alario, Jr., President*

*Sen. Eric LaFleur, Chairman*

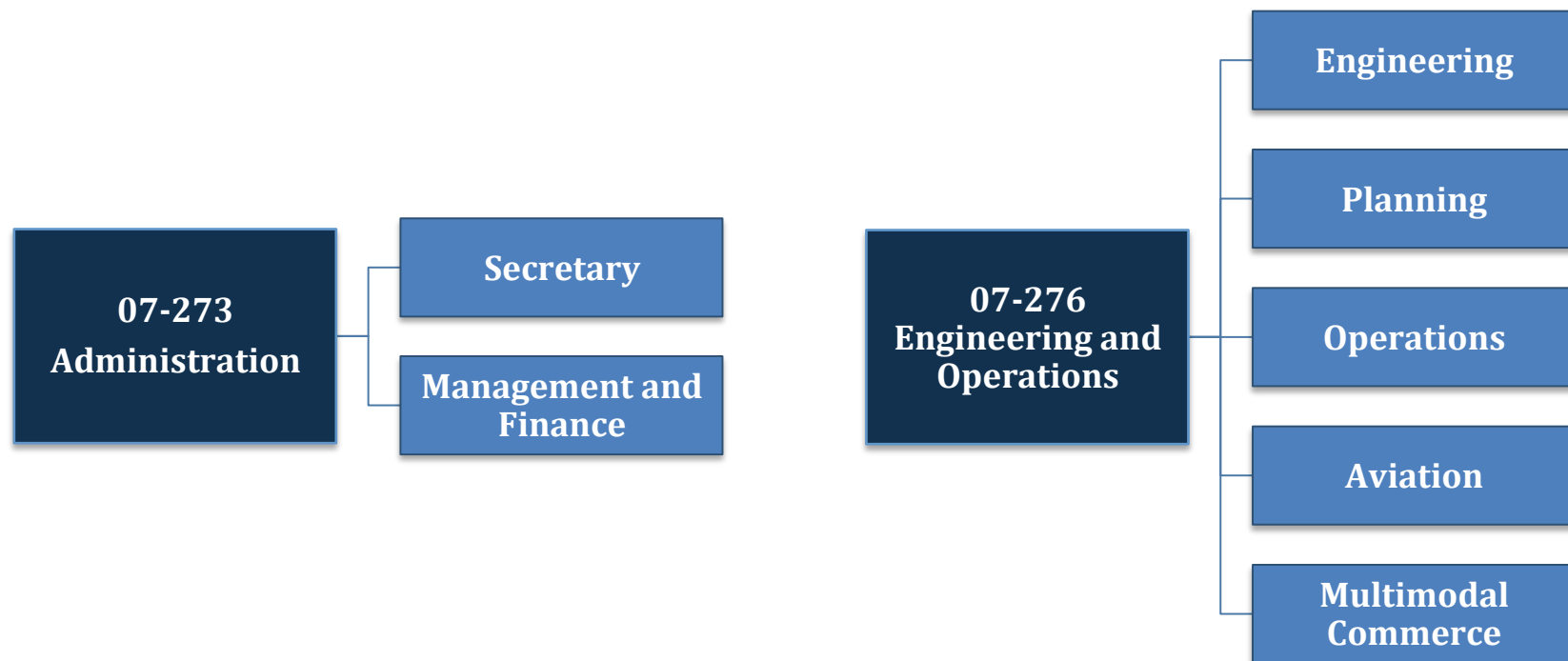




# FY18 Executive Budget

## Schedule 07 — Transportation and Development Agencies

Departmental mission — “To deliver transportation and public works systems that enhance quality of life and facilitate economic growth” through design, planning, construction, and maintenance for these systems.





# Transportation and Development FY16, FY17, and FY18 Comparison

## Total Funding — All Means of Finance

Total Funding	FY16 Actual	FY17 Enacted	FY17 EOB as of 12-1-16	FY18 Recommended	FY18 Re-engrossed	<i>Difference FY18 Re- engrossed vs. FY17 EOB as of 12-1-16</i>
Administration	\$ 38,271,058	\$ 46,484,292	\$ 49,561,916	\$ 49,444,200	\$ 49,444,200	\$ (117,716)
Engineering and Operations	\$ 509,608,985	\$ 548,349,496	\$ 562,031,175	\$ 563,337,711	\$ 564,137,711	\$ 2,106,536
<b>TOTAL</b>	<b>\$ 547,880,043</b>	<b>\$ 594,833,788</b>	<b>\$ 611,593,091</b>	<b>\$ 612,781,911</b>	<b>\$ 613,581,911</b>	<b>\$ 1,988,820</b>
Total Authorized FTEs	4,194	4,195	4,253	4,258	4,258	5

EOB March 2017	FY18 Re- engrossed HB1	<i>Difference</i>
\$ 610,022,920	\$ 613,581,911	\$ 3,558,991
4,302	4,258	(44)

## Total State Effort — State General Fund, Dedicated Funds, and Fees and Self-generated Revenue

FY17 EOB as of 12-1-16	FY17 EOB as of March 2017 (Includes Attrition Adjustment)	<i>Difference</i>	FY18 Recommended	<i>Difference</i>	FY18 Re- engrossed	<i>Difference</i>	<i>Difference</i>
TOTAL STATE EFFORT	TOTAL STATE EFFORT	<i>EOB 12-1-16 vs. EOB March 2017</i>	TOTAL STATE EFFORT	<i>EOB March 2017 vs. FY18 Recommended</i>	TOTAL STATE EFFORT	<i>EOB March 2017 vs. FY18 Re- engrossed</i>	<i>FY18 Recommended vs. FY18 Re- engrossed</i>
\$570,860,032	\$569,289,861	\$ (1,570,171)	\$579,497,220	\$ 10,207,359	\$580,297,220	\$ 11,007,359	\$ 800,000

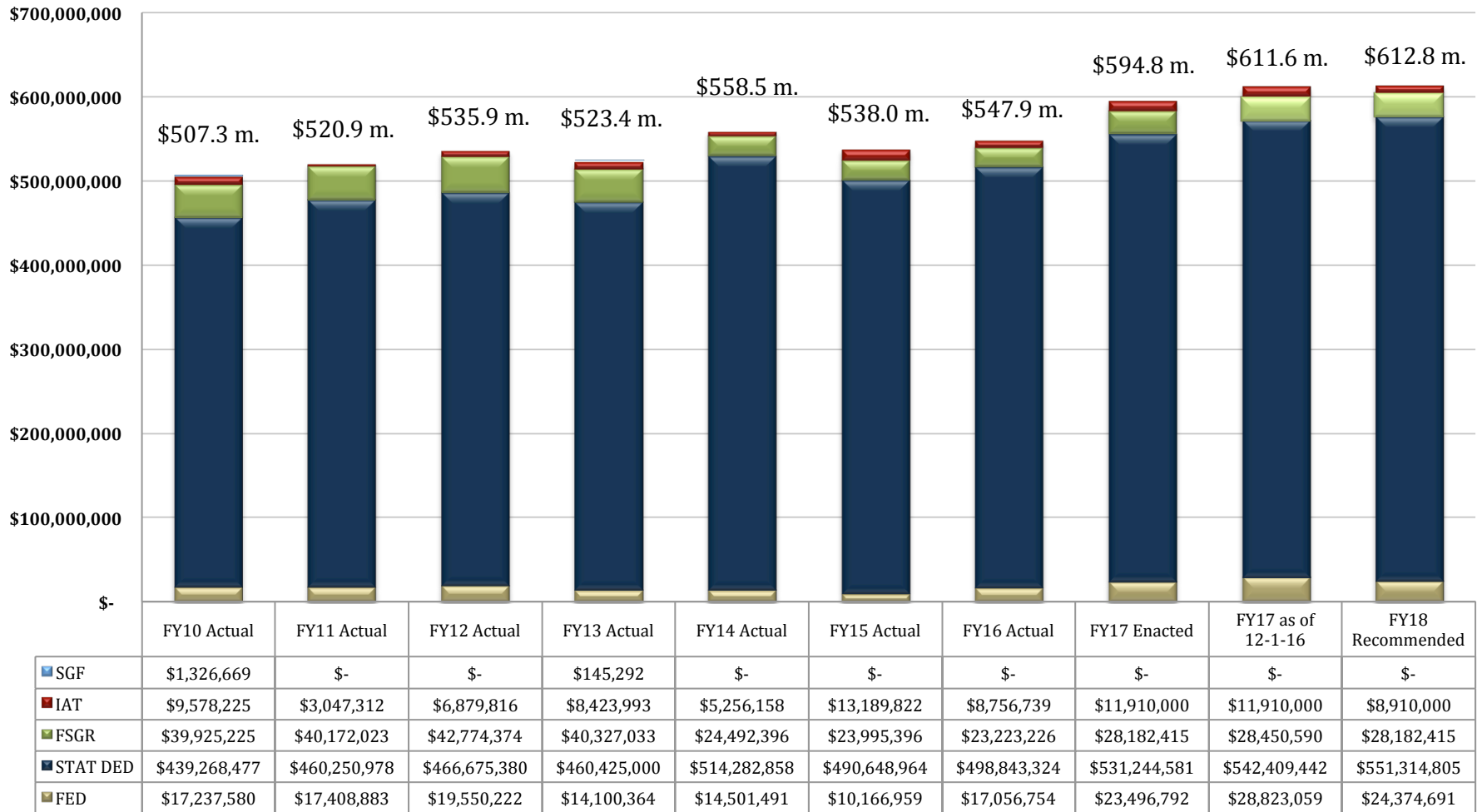


# Transportation and Development

## Changes in Funding since FY10

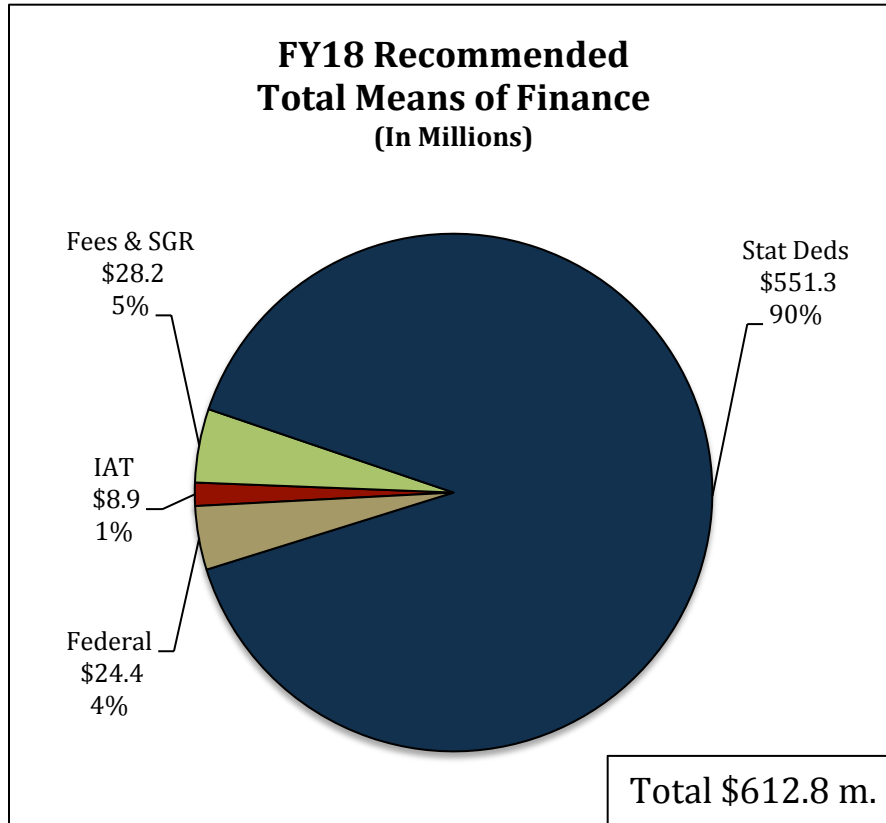
**Total Budget by Fiscal Year and Means of Finance**  
(in \$ millions)

Change from FY10 to FY18 is 21%.





# Transportation and Development FY18 Recommended Means of Finance



## Non-SGF Sources of Funding:

The overwhelming majority of funding in DOTD comes from **dedicated funds**, particularly the **Transportation Trust Fund-Regular (C)** and the **Transportation Trust Fund-Federal**. The TTF-Regular is derived from taxes on gasoline, motor fuels, and special fuels, while the TTF-Federal comes from the Federal Highway Administration.

## Other **statutory dedications** include:

- La. Transportation Research Center Transportation Training and Education Center Fund** (registration fees for training courses),
- DOTD Right-of-Way Permit Processing Fund** (permit fees from utilities),
- Louisiana Highway Safety Fund** (speeding tickets issued for less than 10 miles over the limit on interstate highways),
- Crescent City Transition Fund** (balance of tolls previously collected from the Crescent City Connection Bridge),
- New Orleans Ferry Fund** (revenues from truck and trailer registration or license tax collected in Orleans Parish),
- Geaux Pass Transition Fund** (funds left over from Geaux Pass accounts, toll tag deposits, or CCC Bridge tolls paid between 1-1-13 and 3-5-13),
- Louisiana Bicycle and Pedestrian Safety Fund** (fees from the sale of prestige license plates for bicycle and pedestrian safety).

**Fees and Self-generated Revenues** come from a variety of sources, such as sales of maps and plans; administration fees to DOTD for non-entity capital outlay projects; for services performed by DOTD for the Sabine River Authority; sales of land, buildings, and equipment on right-of-way; equipment buy back; etc.

**Interagency transfer** sources include reimbursements from FEMA for natural disasters and administrative fees collected for capital outlay projects administered by DOTD.



# Transportation and Development

## FY18 Recommended Means of Finance by Agency

Total MOF by Agency	SGF	IAT	FSGR	Stat Deds	Federal	Total
<b>Administration</b>	<b>\$0</b>	<b>\$0</b>	<b>\$26,505</b>	<b>\$49,417,695</b>	<b>\$0</b>	<b>\$49,444,200</b>
Secretary	\$0	\$0	\$0	\$10,095,147	\$0	\$10,095,147
Mgt. and Finance	\$0	\$0	\$26,505	\$39,322,548	\$0	\$39,349,053
<b>Engineering and Operations</b>	<b>\$0</b>	<b>\$8,910,000</b>	<b>\$28,155,910</b>	<b>\$501,897,110</b>	<b>\$24,374,691</b>	<b>\$563,337,711</b>
Engineering	\$0	\$2,500,000	\$2,778,690	\$86,360,199	\$1,866,024	\$93,504,913
Planning	\$0	\$1,910,000	\$2,346,937	\$28,564,115	\$18,791,302	\$51,612,354
Operations	\$0	\$4,500,000	\$23,030,283	\$383,474,830	\$2,744,250	\$413,749,363
Aviation	\$0	\$0	\$0	\$1,531,216	\$700,000	\$2,231,216
Multimodal Commerce	\$0	\$0	\$0	\$1,966,750	\$273,115	\$2,239,865
<b>TOTAL Administration and Engineering and Operations</b>	<b>\$0</b>	<b>\$8,910,000</b>	<b>\$28,182,415</b>	<b>\$551,314,805</b>	<b>\$24,374,691</b>	<b>\$612,781,911</b>



# Transportation and Development Dedicated Funds FY16, FY17, and FY18

Dedicated Funds	Source of Funding	FY16 Actual	FY17 Enacted	FY18 Recommended
Crescent City Transition Fund	Balance of tolls previously collected from the CCC Bridge.	\$0	\$1,387,684	\$1,087,684
Geaux Pass Transition Fund	Funds left over from Geaux Pass accounts, toll tag deposits, or CCC Bridge tolls paid between 1-1-13 and 3-5-13.	\$1,196,862	\$0	\$300,000
Louisiana Bicycle and Pedestrian Safety Fund	Fees from the sale of prestige license plates for bicycle and pedestrian safety.	\$2,963	\$5,870	\$5,870
Louisiana Highway Safety Fund	Speeding tickets issued for less than 10 miles over the speed limit on interstate highways.	\$0	\$152,187	\$2,000
LTRC Transportation Training and Ed. Ctr. Fund	Registration fees for training courses.	\$354,062	\$724,590	\$724,590
New Orleans Ferry Fund	Revenues from truck and trailer registration or license tax collected in Orleans Parish.	\$730,859	\$830,000	\$830,000
Right-of-Way Permit Processing Fund	Permit fees from utilities.	\$350,000	\$582,985	\$430,000
TTF-Federal	Federal Highway Administration.	\$135,959,686	\$141,352,755	\$150,540,349
TTF-Regular	Taxes on gasoline, motor fuels, and special fuels.	\$360,248,892	\$386,208,510	\$397,394,312
<b>TOTALS</b>		<b>\$498,843,324</b>	<b>\$531,244,581</b>	<b>\$551,314,805</b>

Dedicated Funds used to solve FY17 Mid-Year Deficits — Includes December and February Adjustments

Dedicated Fund	Amount
Right-of-Way Permit Processing Fund (February)	(\$29,149)
LTRC Transportation Training and Education Center Fund (February)	(\$36,229)
Louisiana Highway Safety Fund (February)	(\$7,609)
Louisiana Bicycle and Pedestrian Safety Fund (February)	(\$293)
DOTD — Capital Outlay/Non-State — State Highway Improvement Fund (February)	(\$2,940,000)
LTRC Transportation Training and Education Center Fund (February backfill)	\$36,229
Louisiana Bicycle and Pedestrian Safety Fund (February backfill)	\$293
DOTD — Capital Outlay/Non-State — State Highway Improvement Fund (February backfill)	\$2,940,000





# Transportation and Development Expenditures FY16, FY17, and FY18

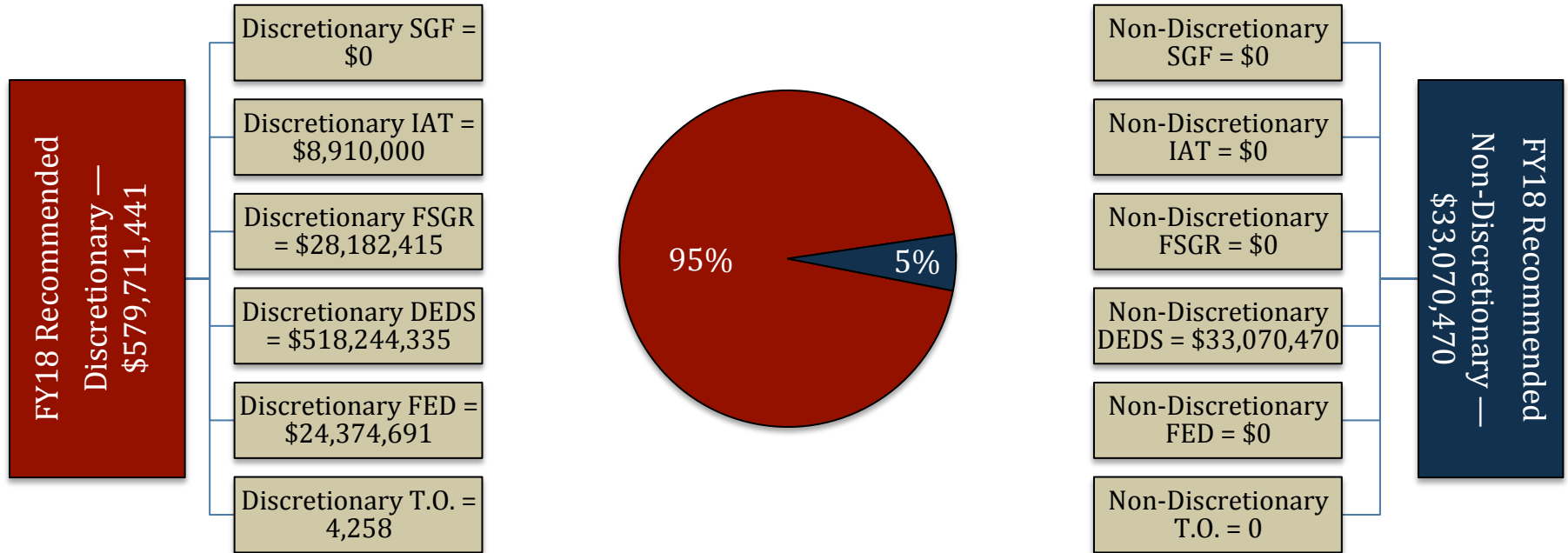
Expenditure Category	FY16 Actual	FY17 Enacted	FY18 Recommended	Percent Change FY17 Enacted vs. FY18 Recommended
<b>Personal Services:</b>	<b>\$333,958,537</b>	<b>\$335,197,987</b>	<b>\$346,745,522</b>	<b>3.4</b>
Salaries	\$206,625,748	\$205,746,166	\$212,781,030	3.4
Other Compensation	\$757,258	\$907,484	\$957,484	5.5
Related Benefits	\$126,575,531	\$128,544,337	\$133,007,008	3.5
<b>Operating Expenses:</b>	<b>\$56,657,243</b>	<b>\$64,586,665</b>	<b>\$65,521,985</b>	<b>1.4</b>
Travel	\$3,127,639	\$3,373,215	\$3,603,217	6.8
Operating Services	\$21,679,948	\$24,511,709	\$25,224,927	2.9
Supplies	\$31,849,656	\$36,701,741	\$36,693,841	(0.0)
<b>Professional Services</b>	<b>\$30,219,149</b>	<b>\$40,150,168</b>	<b>\$43,901,725</b>	<b>9.3</b>
<b>Other Charges:</b>	<b>\$108,882,975</b>	<b>\$131,223,511</b>	<b>\$126,552,332</b>	<b>(3.6)</b>
Other Charges	\$52,520,725	\$64,925,818	\$65,339,318	0.6
Debt Service	\$0	\$0	\$0	-
Interagency Transfers	\$56,362,250	\$66,297,693	\$61,213,014	(7.7)
<b>Acquisitions &amp; Major Repairs:</b>	<b>\$18,162,139</b>	<b>\$23,675,457</b>	<b>\$30,060,347</b>	<b>27.0</b>
Acquisitions	\$18,162,139	\$23,675,457	\$30,060,347	27.0
Major Repairs	\$0	\$0	\$0	-
<b>Total Expenditures</b>	<b>\$547,880,043</b>	<b>\$594,833,788</b>	<b>\$612,781,911</b>	<b>3.0</b>





# Transportation and Development

## FY18 Discretionary/Non-Discretionary Comparison



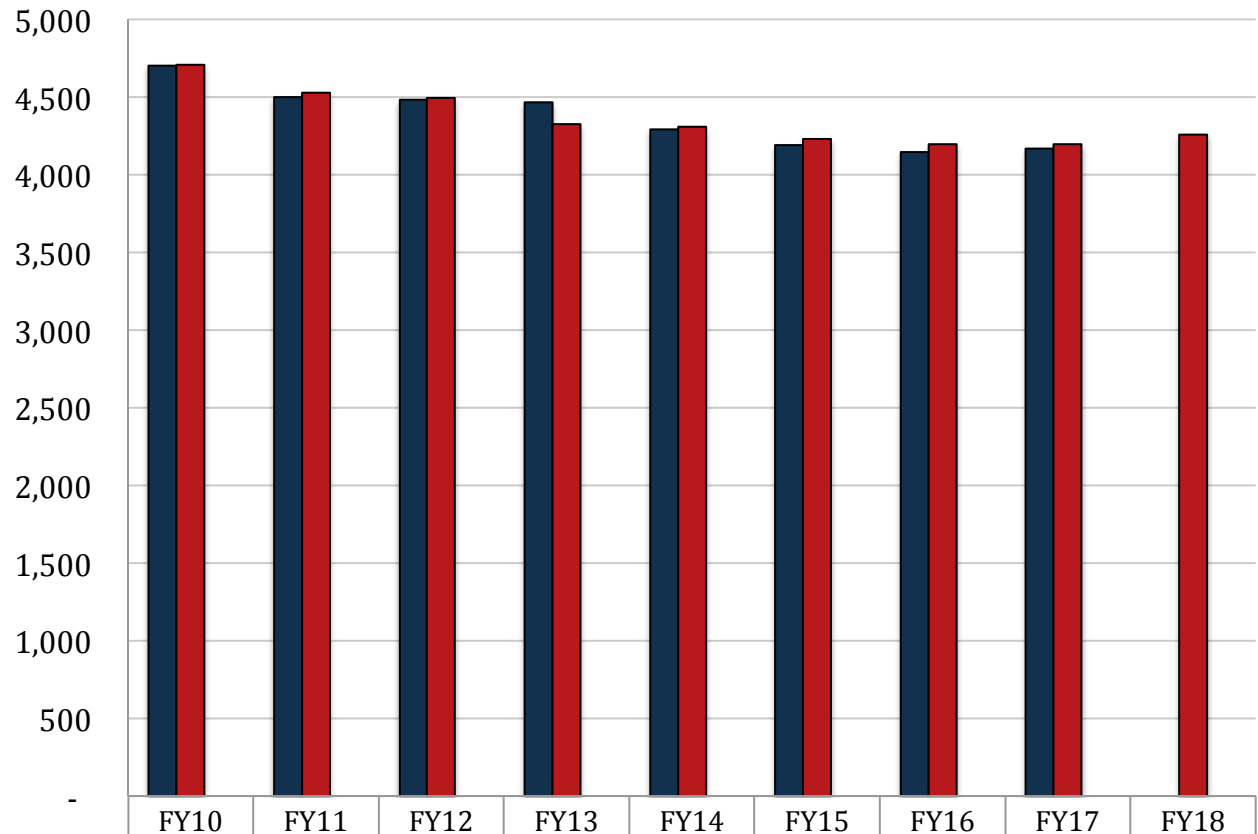
Total Discretionary Funding by Office		
Administration	\$ 47,231,537	8%
Engineering & Operations	\$ 532,479,904	92%
<b>Total Discretionary</b>	<b>\$ 579,711,441</b>	<b>100%</b>

Total Non-Discretionary Funding by Type		
Administration - Retirees' Group Insurance	\$ 1,583,550	5%
Engineering & Operations - Retirees' Group Insurance	\$ 30,857,807	93%
Administration - Legislative Auditor Fees	\$ 629,113	2%
<b>Total Non-Discretionary</b>	<b>\$ 33,070,470</b>	<b>100%</b>



# Transportation and Development

## FTEs, Authorized Positions, and Other Charges Positions



	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
■ Total FTEs (as of July 1 of each fiscal year)	4,701	4,496	4,479	4,465	4,290	4,188	4,146	4,167	-
■ Total Authorized Positions (Enacted)	4,704	4,524	4,494	4,322	4,310	4,228	4,194	4,195	4,258
■ Authorized Other Charges Positions	-	-	-	-	-	-	-	-	-

### Notes:

Data for Total FTEs uses the first weekly employment report published by State Civil Service in July at the start of the named fiscal year.

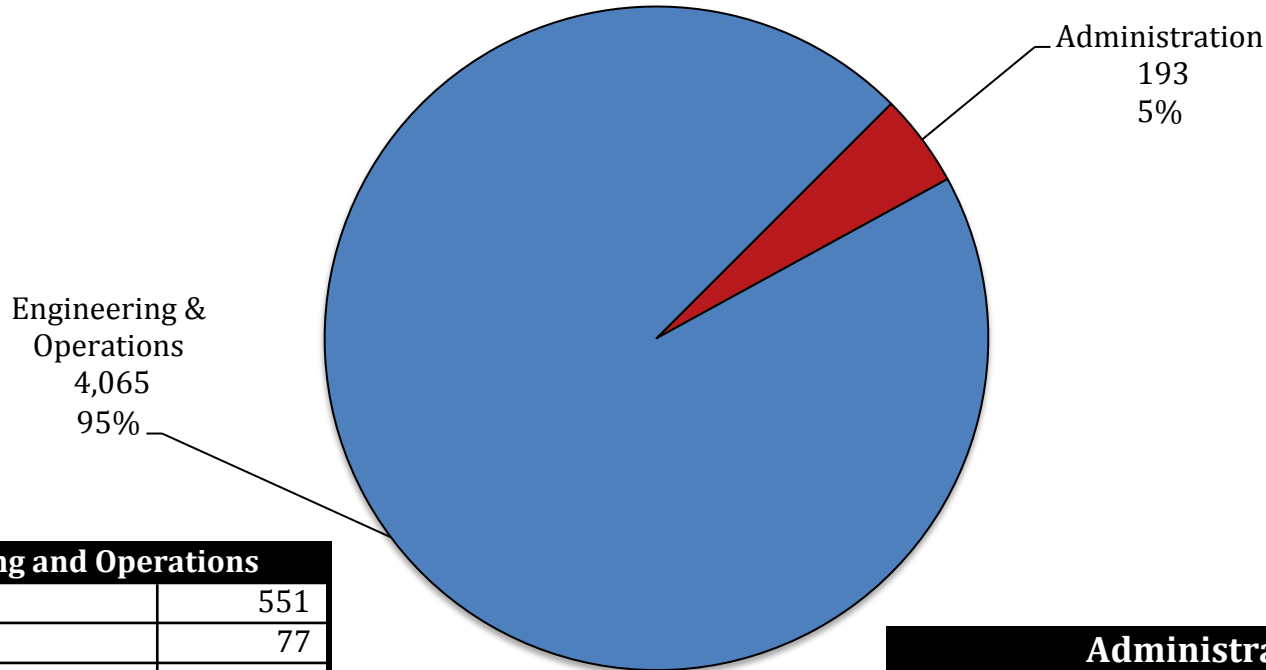
Data for Total Authorized Positions uses fiscal year enacted levels, except for FY18 Recommended.

Data for Other Charges Positions are reflected in the Executive Budget per Act 377 of the 2013 Regular Legislative Session (beginning in FY15).



# Transportation and Development

## FY18 Recommended Total Authorized Positions by Agency



Engineering and Operations	
Engineering	551
Planning	77
Operations	3,412
Aviation	13
Multimodal Commerce	12

*Engineering and Operations positions include engineers; project planners and designers; information technology; mapping specialists; district directors; road crews; construction specialists; aviation specialists; transportation researchers; safety specialists; maritime and rail infrastructure staff; etc.*

Administration	
Office of the Secretary	69
Office of Management and Finance	124

*Administration positions include the departmental secretary, undersecretary and assistant secretaries; managerial and clerical staff; budget; fiscal; information technology; quality control; and other support staff.*



# Transportation and Development Total Statewide Adjustments for FY18

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**Department of Transportation and Development  
ADJUSTMENTS TO EXISTING OPERATING BUDGET  
Recommended**

GEN. FUND	I.A.T.	SELF-GEN.	STAT. DED.	I.E.B.	FEDERAL	TOTAL	T.O.	DESCRIPTION
\$0	\$11,910,000	\$28,450,590	\$542,409,442	\$0	\$28,823,059	\$611,593,091	4,253	Existing Oper Budget as of 12/01/16
<b>A. STATEWIDE STANDARDS</b>								
\$0	\$0	\$0	\$1,761	\$0	\$0	\$1,761	0	Civil Service Training Series
\$0	\$0	\$0	\$51,189	\$0	\$0	\$51,189	0	Related Benefits Base Adjustment
\$0	\$0	\$0	\$3,921,530	\$0	\$0	\$3,921,530	0	Retirement Rate Adjustment
\$0	\$0	\$0	\$5,738,524	\$0	\$0	\$5,738,524	0	Salary Base Adjustment
\$0	\$0	\$0	(\$3,696,361)	\$0	\$0	(\$3,696,361)	0	Attrition Adjustment
\$0	\$250,000	\$21,000,000	\$8,741,577	\$0	\$68,770	\$30,060,347	0	Acquisitions & Major Repairs
\$0	(\$250,000)	(\$21,000,000)	(\$2,431,764)	\$0	(\$68,770)	(\$23,750,534)	0	Non-Recurring Acquisitions & Major Repairs
\$0	\$0	(\$268,175)	(\$11,164,861)	\$0	(\$5,326,267)	(\$16,759,303)	0	Non-recurring Carryforwards
\$0	\$0	\$0	(\$710,393)	\$0	\$0	(\$710,393)	0	Risk Management
\$0	\$0	\$0	\$5,413	\$0	\$0	\$5,413	0	Legislative Auditor Fees
\$0	\$0	\$0	\$430	\$0	\$0	\$430	0	Capitol Park Security
\$0	\$0	\$0	\$5,832	\$0	\$0	\$5,832	0	UPS Fees
\$0	\$0	\$0	\$83,644	\$0	\$0	\$83,644	0	Civil Service Fees
\$0	\$0	\$0	\$791,629	\$0	\$0	\$791,629	0	Office of Technology Services (OTS)
\$0	\$0	\$0	(\$36,889)	\$0	\$0	(\$36,889)	0	Office of State Procurement
\$0	(\$3,000,000)	\$0	\$3,000,000	\$0	\$0	\$0	0	TOTAL MEANS OF FINANCING SUB ADJUSTMENT
\$0	\$0	\$0	\$4,604,102	\$0	\$877,899	\$5,482,001	5	TOTAL OTHER ADJUSTMENTS ADJUSTMENT
\$0	\$8,910,000	\$28,182,415	\$551,314,805	\$0	\$24,374,691	\$612,781,911	4,258	Total Budget
\$0	(\$3,000,000)	(\$268,175)	\$8,905,363	\$0	(\$4,448,368)	\$1,188,820	5	Total Adjustments



# Transportation and Development Significant Increases for FY18

Increase	Source	T.O.	Agency	Description
\$1,252,452	TTF-Regular	3	Engineering; Aviation	Geospatial Database for topographic mapping; statutory requirement for DOTD to be lead agency (R.S. 48:36).
\$1,000,000	TTF-Federal; TTF-Regular	0	Engineering	Statewide Right-of-Way Geographic Information Systems Inventory project; new software with database/mapping capabilities.
\$877,899	Federal grant	0	Engineering	Implementation of Louisiana's Cooperating Technical Partner (CTP) agreement with FEMA for Flood Insurance Rating Maps.
\$500,000	TTF-Federal; TTF-Regular	0	Engineering	Additional funding for the La. Transportation Research Center (LTRC) to complete additional research projects.
\$500,000	TTF-Federal; TTF-Regular	0	District Operations	Expansion of the Motorist Assistance Patrol to include the Alexandria area.
\$300,000	TTF-Federal; TTF-Regular	0	Engineering	Increase needed for the Continuation of Construction Management-at-Risk (CMAR) contracts.
\$296,272	TTF-Regular	2	District Operations	Extended service for the Plaquemine Ferry to help mitigate traffic issues for commuters in the Baton Rouge area after the August 2016 flooding.
\$225,000	TTF-Regular	0	Multimodal	Update of the Marine Transportation System Plan, which must be updated every 10 years and has not been updated since 2007.
\$0	TTF-Regular	0	Office of the Secretary ; Office of Management and Finance	Technical adjustment moving the Auditing and the Quality Continuous Improvement Program from the Office of the Secretary to the Office of Management and Finance.



# Transportation and Development Significant Decreases for FY18

Decrease	Source	T.O.	Agency	Description
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# Transportation and Development

## Significant Means of Financing Substitutions for FY18

MOF Swap	Source	T.O.	Agency	Description
(\$3,000,000)	IAT	0	Highway Safety Commission	Decrease of IAT funding flowing to the LHSC due to implementation of MAP-21, the federal surface transportation funding program signed into law by President Obama in 2012.
\$3,000,000	TTF-Federal	0	Planning	Increase of TTF-Federal funding flowing to the Planning Program due to implementation of MAP-21, the federal surface transportation funding program signed into law by President Obama in 2012.
(\$300,000)	Crescent City Transition Fund	0	District Operations	Decrease from the Crescent City Transition Fund for lighting and maintenance on the CCC Bridge to preserve more balance in this fund for future years.
\$300,000	Geaux Pass Transition Fund	0	District Operations	Increase from the Geaux Pass Transition Fund for lighting and maintenance on the CCC Bridge to expend the remaining balance of this fund.





# Transportation and Development

## Changes from FY18 Recommended to FY18 Re-engrossed

Changes from FY18 Recommended to FY18 Re- engrossed	Source	T.O.	Agency	Description
\$800,000	New Orleans Ferry Fund	0	Operations Program	For operating expenses and security of the Algiers Point/Canal Street ferry.



# Transportation and Development Significant Budget Issues for FY18

## Major Issues:

### Potential Increase in Fuel Tax —

- Current tax rate is 38.4 cents/gallon, of which 20 cents are state taxes (16 cents TTF and 4 cents TIMED).
  - The state rate has not changed since 1990, which makes it the 6<sup>th</sup> oldest state gas tax, according to the National Conference of State Legislatures.
- Every 1-cent increase in the gas tax results in roughly \$30 million/year.
  - HB 632 by Rep. Steve Carter would increase the state tax by 17 cents and on January 1, 2021, the tax would become adjusted every four years to the four-year average of the Consumer Price Index, up to 3 percent.
- Louisiana has a road and bridge maintenance backlog of about \$13 billion and a “mega-project” list of about \$16 billion.

### Federal Match Loss Scenario — \$43.2 m. on the Commissioner’s list of \$440 m. unmet needs

- DOTD received a one-time, retroactive amount of \$140 million in toll credits for LA Highway 1 from the Federal government in 2012. This money has been used to mitigate the lack of state match money, but the balance is decreasing.

#### **Federal Match Loss Scenario — in \$ millions**

<b>\$ 111.2</b>	<b>Beginning Toll Credit Balance</b>
\$ (26.3)	FY17 Programmed Usage
\$ (17.5)	FY17 State Match for the \$70 m. year-end "plus up" (draw down from other states)
<b>\$ 67.4</b>	<b>Toll Credit Balance FY17</b>
\$ (28.7)	FY18 Programmed Usage
\$ (17.5)	FY18 State Match for the \$70 m. year-end "plus up"
<b>\$ 21.2</b>	<b>Toll Credit Balance FY18</b>
\$ (34.6)	FY19 Programmed requirement
\$ (17.5)	FY19 state match for the \$70 m. year-end "plus up"
<b>\$ (30.9)</b>	<b>Toll Credit Deficit FY19</b>

#### **FY18 Potential Impacts:**

*(\$18.9 m.) BSRF impact if HCR 1 is implemented.  
(\$29.7 m.) Possible mid-year cut [5% TTF and other MOF;  
based on January 2017 REC forecast.  
(\$48.6 m.) Total FY18 Potential Impact*

#### **FY19 Potential Impacts:**

*(\$19.2 m.) BSRF impact if HCR 1 is implemented.  
(\$30.2 m.) Possible mid-year cut [5% TTF and other MOF;  
based on January 2017 REC forecast.  
(\$49.4 m.) Total FY19 Potential Impact*