

To: Joint Fiscal Committee
From: Neil Schickner / JFO
Date: 3 Sep 2010

Re: September 2010 AOT reports to JTOC

- ▶ **The Project Status Report** states that FY11 costs are running a total of \$7.7 million “over” budget. According to AOT, however, nearly all this amount is due to the slippage of work scheduled in FY10 into FY11. The work was funded in FY10 and the unspent funds were carried forward into FY11. Thus, FY11 costs are higher but for the most part the higher costs are fully funded. This amount is somewhat higher than in prior years but is not unusual.
- ▶ **The Contract Bid Award** report is basically unchanged from the July report as there were few new contracts awarded in the interim. The November report will reflect increased bid activity in August and September.
- ▶ **Appropriations reductions to meet ARRA MOE (maintenance of effort):** AOT reports that it reduced the FY10 and FY11 maintenance budget by a total amount of \$3.0 million in order to meet the ARRA MOE requirements. According to AOT most of this was accomplished by shifting funds from the maintenance pavement “level and seal” program which is ineligible for federal funding to projects in the paving program which are eligible for federal funding. In other words, to satisfy the MOE, paving projects were accelerated while level and seal was reduced.
- ▶ **ARRA MOE status:** As of September 3, AOT reports that it fully expects to satisfy the MOE requirements by the September 30th deadline.
- ▶ **Appropriations reductions to fund TIB bond reserves:** AOT reports that \$1.5 million of FY10 end year balances were re-allocated to fund the TIB bond reserve and cover FY11 TIB bond payments. The largest source was \$680,000 which relates to the DMV computer upgrade project. The amount apparently represents a combination of project savings and deliberate project cost reductions.