



## **RTAC LEGISLATIVE UPDATE JANUARY 29, 2009 (Part I)**

The Governor called the Legislature into Special Session last night to adjust the FY2009 budget. It is estimated that \$1.6 Billion will need to be adjusted to maintain a balanced budget for the fiscal year.

The House Appropriations Committee has just started their hearings on the House budget bills. A preliminary review, barring any committee or floor amendments, indicates the following transportation impacts:

- \$21 Million reduction from the State Highway Fund
- \$3.5 Million reduction from the State Aviation Fund
- \$1,150,000 reduction from LTAF
- \$475,000 reduction from LTAF II
- \$104 Million reduction from STAN account.

The STAN account was created several years ago and consists of funding appropriated by the Legislature to accelerate state highway projects. The account has a current balance of \$245 Million. As roughly 75% of STAN funding is allocated to projects in the Maricopa and Pima regions, it is likely that this funding raid will predominantly impact projects in urban areas. However, as all of these projects are in ADOT's five year construction plan, if the STAN funding is taken away, the STAN projects will eventually be funded with other highway revenues which will take that funding away from other projects. In other words, this will likely have a negative cascading impact on funding for all projects in the ADOT five year plan.

I will keep you updated on future developments.