

# Chapter 7: Determining Elements of the Potential Capacity Budget

## Introduction to Nomenclature

For the purposes of this manual, NDOT has performed an exhaustive analysis of available funding resources. Because this is being examined in a way not done before, a new nomenclature has been developed to facilitate this analysis. It should be noted that NDOT utilizes these calculated figures only as a check against its safety, preservation, congestion relief, and equity spending.

## Potential Capacity Budget

For clarity's sake, the term "Potential Capacity Budget" will be used throughout this manual to specify that narrow slice of spending administered directly by NDOT that can be used for capacity projects. The Potential Capacity Budget is calculated by adding the Potential Federal Capacity Budget to the Potential State Capacity Budget (Reference Attachment 1).

<b>Potential Capacity Budget = Potential Federal Capacity Budget + Potential State Capacity Budget</b>
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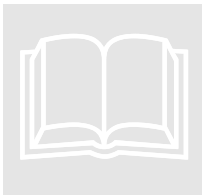


## Potential Federal Capacity Budget

The Potential Federal Capacity Budget is that portion of federal funding that is directly administered by NDOT (i.e., not allocated to the MPO's) that can be utilized for capacity projects. Much of the federal funding administered by NDOT cannot by law, be utilized for capacity projects. All of these funding categories that preclude capacity projects (i.e. safety, bridge, interstate maintenance, enhancements, the Statewide Planning and Research Program, and many others) must be excluded from the state's federal allocation before the remaining "potential federal capacity budget" is analyzed and prioritized.

## Potential State Capacity Budget

The Potential State Capacity Budget as presented in Attachment 1 is the net state gasoline tax revenue realized from gasoline taxes, motor-vehicle fees and taxes, bonds and other miscellaneous revenue sources to the State Highway Fund (less money passed on to other agencies), less the fixed expenses of the department, including salaries, administrative costs, and bond repayments. Not all state funds are available for use on capacity projects, however there are fewer restriction than there are for federal funds. For example, State Highway Funds are appropriated for use by the Department of Motor Vehicles and the Department of Public Safety as well as NDOT's expenses such as routine maintenance, safety, administrative services, and bond payments. NDOT has established set-aside programs for sound-wall and aesthetic planning.



## Calculation of Potential Capacity Budget

The "Potential Capacity Budget" is determined by adding the state and federal components, as set forward above. In the Highway Fund Financial Projections document, the potential capacity budget excluding bond proceeds is projected to be \$191 million for fiscal year 2005.