

Appendix V
State Auditor's Office Review



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A Review of the Use of Federal Funds at the Department of Transportation

Lawrence F. Alwin, CPA

May 10, 2000

Members of the Legislative Audit Committee:

Our review of the federal funding process for the Department of Transportation's (Department) Highway Planning and Construction activities indicates that the Department is maximizing federal funds. Per the Federal Highway Administration, Texas has never lapsed (returned) any federal funds related to these activities. Federal expenditures for the Department's Highway Planning and Construction Program totaled \$1.1 billion in fiscal year 1998 and \$1.5 billion in fiscal year 1999.

The Department has been apportioned approximately \$5.6 billion in federal funds for Highway Planning and Construction activities from 1998 to 2000. The Department's present apportionment for 2001-2003 is approximately \$6.3 billion. Of all the programs included in the funding, more than half of the funds apportioned to Texas each year are for:

- Interstate Maintenance
- National Highway System
- Surface Transportation Programs

Only California is apportioned more funding on an annual basis than Texas. Approximately 9.2 percent of the annual federal funding goes to California. Texas has been apportioned roughly 7.5 percent of all Highway Planning and Construction funds nationwide for fiscal years 2001, 2002, and 2003.

We appreciate the assistance we received from the Department and the Federal Highway Administration to complete this work. If you have any questions, please contact me, or Beth Arnold, Audit Manager, at (512) 479-4700.

Sincerely,

Lawrence F. Alwin, CPA
State Auditor

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Attachment

Objective, Scope, and Methodology

Our objective was to determine whether the Department is maximizing federal funding and reimbursement for highway planning and construction activities.

We reviewed the federal funding process for the Department's highway planning and construction activities through interviews with Federal Highway Administration and Department representatives as well as analytical procedures on documentation provided.

cc: Mr. John W. Johnson, Transportation Commissioner
Mr. David M. Laney, Commissioner, Department of Transportation
Mr. Robert Lee Nichols, Commissioner, Department of Transportation
Mr. Charles W. "Wes" Heald, Executive Director, Department of Transportation

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