

Department of Transportation
Summary

A.R.S. § 28-101

Director: Victor Mendez

JLBC Analyst: Bob Hull

	FY 2002	FY 2003	FY 2004
	Actual	Estimate	Approved
PROGRAM BUDGET			
Administration	55,714,500	50,704,300	56,253,000
Highways	166,713,900	168,537,500	226,276,000
Motor Vehicle	76,775,100	84,870,900	85,175,700
Aeronautics	1,729,700	3,398,000	1,896,100
AGENCY TOTAL	300,933,200	307,510,700	369,600,800

OPERATING BUDGET

<i>Full Time Equivalent Positions</i>	4,153.0	3,983.0	4,605.0
Personal Services	130,772,400	132,751,800	157,578,000
Employee Related Expenditures	34,480,300	35,809,100	53,953,500
Professional and Outside Services	3,430,800	3,636,300	3,636,300
Travel - In State	1,842,000	2,120,800	2,851,400
Travel - Out of State	140,000	134,000	134,000
Other Operating Expenditures	106,374,800	115,548,700	132,633,800
Equipment	17,775,100	13,005,700	15,833,500
<i>Operating Subtotal</i>	294,815,400	303,006,400	366,620,500
Special Line Items	6,117,800	4,504,300	2,980,300
AGENCY TOTAL	300,933,200	307,510,700	369,600,800^{1/}

FUND SOURCES

General Fund	3,582,000	63,500	67,700
<u>Other Appropriated Funds</u>			
Air Quality Fund	48,000	51,100	55,700
Highway User Revenue Fund	0	648,200	383,300
Motor Vehicle Liability Insurance Enforcement Fund	559,600	1,030,200	1,100,600
Safety Enforcement and Transportation			
Infrastructure Fund	1,938,300	2,336,000	2,545,700
State Aviation Fund	1,729,700	3,398,000	1,896,100
State Highway Fund	259,876,800	267,291,000	329,913,600
Transportation Department Equipment Fund	32,316,000	31,648,300	32,518,700
Vehicle Inspection and Title Enforcement Fund	882,800	1,044,400	1,119,400
SUBTOTAL - Other Appropriated Funds	297,351,200	307,447,200	369,533,100
AGENCY TOTAL	300,933,200	307,510,700	369,600,800

AGENCY DESCRIPTION — *The Department of Transportation (DOT) has jurisdiction over state roads, state airports, and the registration of motor vehicles and aircraft.*

Additional Legislation: Budget Reconciliation; Public Finances (Chapter 263) — Chapter 263, Sections 16, 17, 19, and 102 as permanent law redirects Arizona Department of Transportation civil penalties previously deposited in the Clean Air Fund to the General Fund, retroactively effective to June 30, 2003. Existing statute eliminated the Clean Air Fund.

^{1/} General Appropriation Act funds are appropriated as a Lump Sum by Program.

Highway User Revenue Fund (HURF) — The following table summarizes HURF distributions.

Highway User Revenue Fund (HURF) Distribution			
\$ in Thousands			
	FY 2002 Actual	FY 2003 Estimate	FY 2004 Estimate
Total HURF Collections	1,076,395	1,107,200	1,151,100
Less: Economic Strength Fund ^{1/}	1,000	500	1,000
ADOT - MVD Operating Budget	0	648	383
Dept of Public Safety Transfer from HURF	36,422	54,416	48,698
General Fund Transfer from HURF ^{2/}	15,000	0	0
Net HURF Collections	1,023,973	1,051,636	1,101,019
Less: Cities ^{3/}	312,312	320,901	335,811
Counties ^{3/}	194,555	199,906	209,194
Controlled Access ^{4/}	78,600	80,762	84,514
Net State Highway Fund (Discretionary)	438,506	450,067	471,500
Plus: Other Income ^{5/}	14,069	13,850 ^{6/}	14,500
Less: Operating Budget	259,877	277,041	329,914 ^{7/}
Operating Carryovers, Adjustments and Transfer ^{8/}	4,389	7,657	5
Capital Outlay and Building Renewal	11,449	3,618	1,561
Capital Non-Lapsing Carryovers	0	6,040	0
Motor Vehicle Third Party Payments ^{9/}	6,571	7,335	7,836
Dept of Public Safety Transfer from Highway Fund	25,250	28,267	30,151
General Fund Transfer from State Highway Fund ^{10/}	0	10,000	0
Debt Service ^{11/}	45,543	49,393	59,855
Net Highway Fund Available for Statewide Highway Construction (5-Year Plan) ^{12/}	99,496	74,566	56,678

^{1/} Provides monies for economic strength highway projects recommended by the Commerce and Economic Development Commission and approved by the State Transportation Board. Laws 2002, Chapter 22, reduces HURF collections by \$(500,000) in FY 2003, by appropriating \$500,000 of vehicle license tax revenue to ADOT for grants for certain small community air service and airport upgrades, before the vehicle license tax revenue is distributed to HURF. Chapter 22 also reduces the distribution from HURF to the Economic Strength Fund by \$(500,000) in FY 2003.

^{2/} Appropriated from HURF to reimburse the General Fund for highway patrol expenditures in FY 2001, by Laws 2002, 3rd Special Session, Chapter 1.

^{3/} A statutorily defined distribution of HURF monies for acquisition and construction of streets or highways. The monies are distributed 30.5% to cities and 19% to counties.

^{4/} A statutorily defined distribution of State Highway Fund monies for design, acquisition and construction of controlled access highways, which equals 15.2% of the 50.5% distribution of HURF monies to the State Highway Fund. The monies are divided 75% for Maricopa County and 25% for Pima County. Pima County may also use some of their monies for arterial streets and highways.

^{5/} Includes interest and rental income, transfers from the Public Roads Fund, revenue from 4 formerly non-appropriated funds, and miscellaneous sales and other income.

^{6/} Includes a \$(650,000) decrease of State Highway Fund monies distributed from vehicle license tax revenue, per Laws 2002, Chapter 328. Chapter 328 appropriates the \$650,000 to ADOT to buy 78 miles of railroad corridor from west Phoenix to Wellton, Arizona.

^{7/} Includes \$50,742,800 for the Arizona Department of Transportation's construction operating budget, which is included in the department's capital budget in prior fiscal years.

^{8/} Includes \$5,000 annual transfer to Legislative Council for multistate highway transportation agreement.

^{9/} Statutory payments to third parties from vehicle license taxes collected by third parties.

^{10/} Appropriated from the State Highway Fund to reimburse the General Fund for highway patrol expenditures in FY 2001, by Laws 2003, 1st Special Session, Chapter 2.

^{11/} Debt service on highway revenue bonds, does not include debt service payable from Maricopa and Pima controlled access funds.

^{12/} Excludes Maricopa and Pima County controlled access funds, and bond, federal carryover, and miscellaneous funds available for construction.

Percentage Distribution of HURF Monies	
Cities	30.5%
Counties	19.0%
Controlled Access ^{1/}	7.676%
State Highway Fund ^{1/}	<u>42.824%</u>
Total	100.0%

^{1/} A.R.S. § 28-6538 distributes 50.5% of HURF monies to the State Highway Fund, with 12.6% of the monies distributed to the State Highway Fund being allocated to controlled access highways in Maricopa and Pima Counties. The State Transportation Board adds 2.6% by Board Policy to the statutory 12.6%, making a total of 15.2% of State Highway Fund monies set aside for controlled access highways (50.5% of 15.2% = 7.676%). The controlled access monies are divided 75% for Maricopa County and 25% for Pima County. Pima County may also use some of their monies for arterial streets and highways.

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