

The JLBC recommends \$500,000 from the General Fund to ADOA for completion of plumbing renovations at the Arizona Pioneers' Home. This appropriation was enacted into law by Laws 2002, Chapter 343 and does not need to be included in the Capital Outlay Bill. (See the Advance Appropriations write-up in the ADOA Building System section for more information.)

The JLBC recommends total funding of \$269,991,100 from Other Funds for new projects. This amount includes \$580,100 from COSF for the ADOA Building System, and \$254,179,000 from the State Highway Fund and \$15,232,000 from the State Aviation Fund for the ADOT Building System. (See the individual building systems write-ups for more information.)

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

Bonding Summary

ABOR, on behalf of the universities, ADOT, and the School Facilities Board (SFB) have issued revenue bonds to acquire and construct facilities and to purchase equipment. The table below summarizes the state's outstanding bonds.

	Bonding Summary	
	Original Issue	FY 2004 Payment
Arizona Board of Regents		
Arizona State University	\$258,831,000	\$22,307,000
Northern Arizona University	114,780,000	11,445,000
University of Arizona	298,995,000	28,086,000
Subtotal - ABOR	\$672,606,000	\$61,838,000
Department of Transportation	\$916,449,000	\$174,705,470
School Facilities Board	\$767,135,000	\$63,034,000
TOTAL	\$2,356,190,000	\$299,577,470

Lease-Purchase Facilities

Under a traditional lease-purchase agreement, the state issues Certificates of Participation to generate proceeds to finance capital projects. ADOA, the Arizona Health Care Cost Containment System, the Industrial Commission, and the universities have entered into lease-purchase agreements for the acquisition and construction of state facilities.

The School Facilities Board (SFB) was authorized to enter into \$400 million of privatized lease-to-own agreements for new school construction in FY 2003, and \$200 million each year thereafter. The SFB has structured its \$400 million authority in FY 2003 as a traditional lease-purchase. (See the Privatized Lease-to-Own Facilities section for more information).

The table below provides information related to state lease-purchase agreements.

	Lease-Purchase Summary	
	Original Issue	FY 2004 Payment
<u>ABOR Building System</u>		
Arizona State University	\$62,190,000	\$6,602,000
Northern Arizona University	4,029,000	408,000
University of Arizona	149,716,000	11,840,000
Subtotal - ABOR	\$215,935,000	\$18,850,000
<u>ADOA Building System</u>		
Prisons/ENSCO - 1991	\$55,080,000	\$5,296,400
Revenue Building - 1992	19,617,800	2,038,900
DES Group Homes - 1992	2,507,200	260,600
16th Avenue Parking - 1992	4,675,000	213,300
Courts Building - 1992	41,745,000	1,916,100
Historical Museum - 1992	15,350,000	704,200
ASDB Food Service - 1992	4,605,000	212,200
DES West - 1992	36,800,000	1,690,100
Tucson Office Building - 1992	26,465,000	1,213,500
Capital Center - 1992	16,780,000	1,518,700
Records Management - 1993	2,180,000	191,350
Library for the Blind - 1993	1,150,000	100,350
ASDB Projects - 1993	14,370,000	1,225,700
1616 West Adams - 1993	6,595,000	631,000
Tonto Natural Bridge - 1993	4,285,000	365,700
AHCCCS Buildings - 1995	12,641,800	1,656,100
HRIS System - 2002	34,685,000	1,508,600
Health Laboratory - 2002	30,000,000	2,317,500
Subtotal - ADOA	\$329,531,800	\$23,060,300
Industrial Commission	\$17,500,000	\$1,400,000
School Facilities Board	\$372,730,000	\$21,260,000
TOTAL	\$935,696,800	\$64,570,300

Privatized Lease-to-Own Facilities

Under a privatized lease-to-own agreement, a private entity finances and constructs a building and leases it to the state. At the end of the lease term, the state takes possession of the building.

ADOA has entered into privatized lease-to-own (PLTO) agreements with private entities for 3 office buildings on the Capitol Mall. The 3 buildings will house ADOA, the Department of Environmental Quality and the Department of Health Services. The table below provides information on lease-to-own agreements.

	Privatized Lease to Own Summary	
	Original Issue	FY 2004 Payment
Department of Environmental Quality	NA	\$4,803,500
Department of Administration	NA	2,822,900
Department of Health Services	NA	2,047,700
TOTAL	NA	\$9,674,100

Capital Outlay

Arizona Department of Administration Building System

JLBC: Lorenzo Martinez

OSPB: Bret Cloninger

JCCR Chairman: Burns

JCCR Vice-Chairman: Pearce

DESCRIPTION	FY 2004	
	OSPB	JLBC
ADVANCE APPROPRIATIONS		
Arizona Pioneers' Home Plumbing Renovations	500,000	500,000
SUBTOTAL	500,000	500,000
BUILDING RENEWAL		
Arizona Department of Administration	1,894,900	3,500,000
Arizona Exposition and State Fair Board	332,400	0
Game and Fish Department	323,300	0
Arizona Lottery Commission	37,900	0
SUBTOTAL	2,588,500	3,500,000
NEW PROJECTS		
ADOA-DHS Privatized Lease-to-Own Project Management/Relocation	291,800	580,100
ADOA-DHS Health Laboratory Lease-Purchase Payment	2,371,600	0
Game and Fish Facility Improvements	360,000	0
Game and Fish Shooting Range Development	100,000	0
Game and Fish Belmont Shooting Range Development	500,000	0
Game and Fish Pinetop Warehouse and Paving	310,000	0
Game and Fish Headquarters Security System	200,000	0
Game and Fish Lake Havasu Shooting Range	300,000	0
Game and Fish Migratory Waterfowl Habitat	100,000	0
SUBTOTAL	4,533,400	580,100
TOTAL – ALL PROJECTS	7,621,900	4,580,100
FUND SOURCES		
General Fund	30,100	500,000
<u>Other Appropriated Funds</u>		
Capital Outlay Stabilization Fund	4,558,300	4,080,100
Legislative, Executive, and Judicial Public Buildings Land Fund	469,900	0
Arizona Exposition and State Fair Fund	332,400	0
State Lottery Fund	37,900	0
Game and Fish Fund	783,300	0
Game and Fish Capital Improvement Fund	1,310,000	0
Waterfowl Conservation Fund	100,000	0
SUBTOTAL - Other Appropriated Funds	7,591,800	4,080,100
SUBTOTAL - Appropriated Funds	7,621,900	4,580,100
TOTAL - ALL SOURCES	7,621,900	4,580,100

DESCRIPTION — *The Arizona Department of Administration (ADOA) Building System is comprised of buildings controlled by all state agencies except the Arizona Board of Regents and Arizona Department of Transportation. Capital appropriations may be made directly to an agency within the system, to ADOA on behalf of an agency, or to ADOA for the entire system. The following recommendations for FY 2004 are for specific projects within the building system. Appropriations for ADOA Building System projects may be from the General Fund or Other Funds.*

JLBC Recommendations - The following amounts are one-time appropriations.

FY 2004

Advance Appropriations **GF** **\$500,000**
 The recommended amount was appropriated by Laws 2002, Chapter 343 from the General Fund to ADOA for completion of plumbing renovations at the Arizona

Pioneers' Home. Since this appropriation has already been enacted into law, it does not need to be included in the FY 2004 Capital Outlay Bill.

Building Renewal **OF** **3,500,000**
 The JLBC recommends a \$3,500,000 FY 2004 appropriation from the Capital Outlay Stabilization Fund (COSF) to ADOA for building renewal. Building renewal appropriations are used for major repair and maintenance

of state-owned buildings. The recommended amount represents 17% funding of the building renewal formula for the ADOA building system. The JLBC also recommends that up to \$275,000 and up to 5 FTE Positions be appropriated each year from building renewal monies to ADOA for supervision and management of building renewal projects.

DHS Privatized

Lease-to-Own OF 580,100

The JLBC recommends a \$580,100 FY 2004 appropriation from the Capital Outlay Stabilization Fund to ADOA for activities related to relocating various Department of Health Services (DHS) functions from private space to the new DHS privatized lease-to-own office building on the Capitol Mall. The following table shows the recommended amounts for each activity.

DHS PLTO Activity	Amount
Project Management (3 FTE Positions)	\$127,600
IT Consultants	20,000
Relocation/Reconfiguration Expenses	391,400
Contingency (10%)	<u>41,100</u>
Total	\$580,100

Under a privatized lease-to-own agreement, a private entity finances and constructs the building and leases it to the state. At the end of the lease term, the state takes possession of the building. The DHS building will consist of 170,000 square feet and the annual lease payment will be made from monies currently being used for leases in private space.

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JLBC RECOMMENDED FORMAT — Lump Sum by Project by Fund

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

Building Renewal

Notwithstanding A.R.S. § 41-793.01, the amounts appropriated in this section are appropriated for FY 2004 and shall be used by the applicable agency for major maintenance and repair activities for state buildings in accordance with Title 41, Chapter 4, Article 7, Arizona Revised Statutes. Twenty-five per cent or less of the monies may be spent for state building modifications to comply with the federal Americans with Disabilities Act (42 United States Code sections 12101 through 12213 and 47 United States Code sections 225 and 611) or for major maintenance and repair activities for state infrastructure. The monies may only be used for facilities on the state building inventory or for infrastructure that directly supports those facilities. Of the amounts appropriated to the Arizona Department of Administration, up to \$275,000 in Personal Services and Employee Related Expenditures for up to 5 FTE Positions may be allocated each fiscal year until the Building Renewal projects are completed. All other monies

appropriated in this section shall not be spent for Personal Services or Employee Related Expenditures or for maintenance contracts on building components and equipment without review by the Joint Committee on Capital Review. Any monies appropriated for building renewal in FY 2004 that are unexpended or unencumbered on September 30, 2005 shall revert to the fund from which they were appropriated.

The Department of Administration shall allocate the monies to state agencies for necessary building renewal. If monies in the Capital Outlay Stabilization Fund are insufficient to fund the appropriation to the Department of Administration for Building Renewal, the appropriation to the Department of Administration shall be reduced by the difference between the amount appropriated to the Department of Administration from the Capital Outlay Stabilization Fund and the balance in the Capital Outlay Stabilization Fund.

Individual Projects

The Department of Administration shall report on the status of project-specific FTE Positions for capital projects in its annual capital budget request.

The Department of Administration may allocate FTE Positions authorized for specific projects to other projects in this act provided that funding for the FTE Positions is cost allocated among the projects receiving benefit. The Department of Administration shall report any FTE Position reallocations to the Joint Committee on Capital Review by December 31, 2003.

Unless otherwise specified, the monies appropriated in this act shall not be spent for Personal Services or Employee Related Expenditures of state employees, excluding any services provided as part of the inmate construction program for correctional facilities.

Unless otherwise specified, the appropriations made in this act do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned, or the appropriation stands for a full fiscal year without an expenditure or an encumbrance.

Capital Outlay

Arizona Department of Transportation Building System

JLBC: Lorenzo Martinez
 OSPB: Bret Cloninger

JCCR Chairman: Burns
 JCCR Vice-Chairman: Pearce

DESCRIPTION	FY 2004	
	OSPB	JLBC
BUILDING RENEWAL		
ADOT Building Renewal	1,064,000	1,592,500
SUBTOTAL	1,064,000	1,592,500
NEW PROJECTS		
Airport Planning and Development	0	15,232,000
Controlled Access Highways	63,068,600	78,704,000
Debt Service	62,220,000	62,235,000
Statewide Highway Construction	31,300,400	113,240,000
SUBTOTAL	156,589,000	269,411,000
TOTAL - ALL PROJECTS	157,653,000	271,003,500
FUND SOURCES		
<u>Other Appropriated Funds</u>		
State Aviation Fund	64,000	15,264,000
State Highway Fund	157,589,000	255,739,500
SUBTOTAL - Other Appropriated Funds	157,653,000	271,003,500
SUBTOTAL - Appropriated Funds	157,653,000	271,003,500
TOTAL - ALL SOURCES	157,653,000	271,003,500

DESCRIPTION — *The Arizona Department of Transportation Building System (ADOT) includes all buildings and highways controlled by ADOT. The following recommendations include appropriations for state highway construction and other projects related to ADOT's mission. Most appropriations for ADOT projects are from the State Highway Fund and the State Aviation Fund.*

JLBC Recommendations - The following amounts are one-time appropriations.

Building Renewal OF \$1,592,500
 The JLBC recommends \$1,560,500 from the State Highway Fund and \$32,000 from the State Aviation Fund in FY 2004 to ADOT for building renewal. Building renewal appropriations are used for major repair and maintenance of state-owned buildings. The State Highway Fund amount is for the ADOT Building System and the State Aviation amount is for the Grand Canyon Airport. The recommended amounts represent 50% funding of the building renewal formula.

Zero Base Budget Construction of MVD Service Centers OF 0
 The JLBC recommends zero-base budgeting the construction of Motor Vehicle Division (MVD) Service Centers. During the session, the Appropriations Committees will review the various components of the agency's budget for their statutory basis, funding history, appropriateness, and cost-effectiveness and determine a proper funding level for the service centers. The zero-base budgeting process will allow the Committees to identify

spending overlaps and to explore whether an agency is efficiently and effectively meeting its mission and goals.

Statewide Highway Construction OF 113,240,000
 The JLBC recommends a \$113,240,000 FY 2004 appropriation from the State Highway Fund to ADOT for highway construction. The expenditure of these monies is determined by the Transportation Board, which develops a 5-year plan.

As a result of the operating recommendation to shift MVD's \$79,807,400 of State Highway Fund funding to the Highway User Revenue Fund (HURF), the recommended amount of \$113,240,000 for highway construction is \$45,523,000 higher than it otherwise would have been. Based on the statutory distribution formula for net HURF collections, the \$45,523,000 would be distributed to cities and counties if the fund shift for MVD did not occur. *(See the Department of Transportation Motor Vehicle operating budget section for more information on the fund shift.)*

Controlled Access Highways OF 78,704,000
 The JLBC recommends a \$78,704,000 FY 2004 appropriation from the State Highway Fund to ADOT for

the Highway User Revenue Fund formula dedicated to the construction of urban freeways. The Maricopa Association of Governments (MAG) receives 75% and the Pima County Association of Governments (PAG) receives 25%.

Debt Service OF 62,235,000

The JLBC recommends a \$62,235,000 FY 2004 appropriation from the State Highway Fund to ADOT for the appropriated portion of the debt service on bonds. ADOT has approximately \$890,630,000 in outstanding bonds.

Airport Planning and Development OF 15,232,000

The JLBC recommends a \$15,232,000 FY 2004 appropriation from the State Aviation Fund to ADOT for the department's airport construction program. Fund revenues are generated from a flight property tax, aircraft lieu tax, and revenues from the operations of Grand Canyon Airport. Fifty percent of the revenue from the flight property tax is deposited in the General Fund through June 30, 2003, after which 100% of the revenue will be deposited in the state Aviation Fund.

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JLBC RECOMMENDED FORMAT — Lump Sum by Project by Fund

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

Building Renewal

Notwithstanding A.R.S. § 41-793.01, the amounts appropriated in this section are appropriated for FY 2004 and shall be used by the applicable agency for major maintenance and repair activities for state buildings in accordance with Title 41, Chapter 4, Article 7, Arizona Revised Statutes. Twenty-five percent or less of the monies may be spent for state building modifications to comply with the federal Americans with Disabilities Act (42 United States Code sections 12101 through 12213 and 47 United States Code sections 225 and 611) or for major maintenance and repair activities for state infrastructure. The monies may only be used for facilities on the state building inventory or for infrastructure that directly supports those facilities. All other monies appropriated in this section shall not be spent for Personal Services or Employee Related Expenditures or for maintenance contracts on building components and equipment without review by the Joint Committee on Capital Review.

Any monies appropriated for building renewal in FY 2004 that are unexpended or unencumbered on September 30, 2005 shall revert to the fund from which they were appropriated.

Individual Projects

The amount appropriated for highway construction is from the State Highway Fund for the planning and construction of state highways, including the national system of interstate highways within this state, the state primary or

secondary system, the county primary or secondary system and urban rural routes, the acquisition of rights-of-way, the cost of CONTRACTED field administration and field engineering on construction projects and debt service payments on bonds issued for highway construction. Any balances and collections in the State Highway Fund in excess of the specific amounts appropriated in the General Appropriation Act and in this act are appropriated to the department for the purposes provided in this paragraph.

The amount is appropriated from the State Aviation Fund for the planning, construction, development and improvement of state, county, city or town airports as determined by the state Transportation Board. Any balances and collections in the State Aviation Fund in excess of the specific amounts appropriated in the General Appropriation Act and in this act are appropriated to the Department of Transportation for the purposes provided in this paragraph.

Unless otherwise specified, the monies appropriated in this act shall not be spent for Personal Services or Employee Related Expenditures of state employees, excluding any services provided as part of the inmate construction program for correctional facilities.

Unless otherwise specified, the appropriations made in this act do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned, or the appropriation stands for a full fiscal year without an expenditure or an encumbrance.

New Footnotes

Before the expenditure of any monies for Professional and Outside Services, including contracted field administration and field engineering, the Department of Transportation shall submit information on Professional and Outside Services funded from the capital budget to the Joint Committee on Capital Review by July 1, 2003 for review. The submitted information shall contain at least as much detail for Professional and Outside Services as the department's annual operating budget.

Deletion of Prior Year Footnotes

The JLBC recommends deleting the footnote concerning the operating budget from the capital budget. The operating component of the capital budget has been moved to the department's operating budget. (See ADOT operating budget section for more information.)

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

Highway Construction

The State Transportation Board oversees the department's highway construction program. The 5-Year Highway Construction Program adopted by the Board on June 21, 2002 includes monies from the State Highway Fund, Federal Funds, Maricopa Regional Area Road Fund, Highway User Revenue Fund for controlled access roads, and bond revenues. The highway construction program totals \$1,432,916,000 for FY 2004, including \$841,234,000 for construction and maintenance projects scheduled to begin in

FY 2004, and \$591,682,000 for debt service. For details please see *Table 1*:

Table 1

**Highway Construction Program Adopted
By State Transportation Board and Estimated
Debt Service Payments**

FY 2004	
Construction	\$ 324,856,000
Urban Controlled Access ^{1/}	318,753,000
Pavement preservation Maintenance	77,210,000
Other ^{2/}	120,415,000
Debt Service ^{3/}	591,682,000
Total	\$1,432,916,000

- 1/ Includes expenditures from the Highway User Revenue Fund for controlled access and from the Maricopa Regional Area Road Fund.
- 2/ Includes construction preparation, contingency set-asides, and related highway construction and maintenance items.
- 3/ Information provided by the department. Includes \$62,235,000 in FY 2004 for State Highway Fund statewide construction bonds; \$48,605,000 for Highway User Revenue Fund, Maricopa Association of Governments and Pima Association of Governments controlled access bonds; \$224,495,000 for Maricopa Regional Area Road Fund Bonds; \$49,339,000 for Grant Anticipation Notes; and \$207,008,000 for payments on Board Funding Obligations.

Total Highway Construction Funding

Only a small portion of the state's total highway construction funding is appropriated. *Table 2* summarizes the estimated revenues and expenditures for FY 2004, on a cash flow basis as provided by the department. The previous table, which shows the highway construction program adopted by the State Transportation Board, presents a different view since it shows the total dollar cost of highway projects scheduled to begin in FY 2004.

Of the revenue amounts, only the Statewide Highway Construction and Controlled Access Highways amounts are appropriated. Of the expenditure amounts, only a portion of Debt Service is appropriated.

Table 2

Estimated Highway Construction - Cash Basis

	FY 2004
Balance Forward ^{1/}	\$395,557,000
Revenues	
Appropriated Statewide Highway Construction	\$175,475,000
Appropriated Controlled Access Highways (MAG&PAG)	78,704,000
½ Cent Sales Tax	290,400,000
Federal Aid	345,956,000
Miscellaneous Income/Expenses ^{2/}	(60,869,000)
HURF Bond Proceeds ^{3/}	175,000,000
Subtotal - Revenues	<u>\$1,004,666,600</u>
Total Funds Available for Construction	\$1,400,223,600
Debt Service Expenditures	
Appropriated Debt Service	\$ 62,235,000
Other Debt Service (All Other)	404,856,000
Subtotal - Debt Service	<u>\$ 467,091,000</u>
Planned Construction Expenditures	
Statewide Highway Construction (including PAG)	\$574,800,000
Controlled Access Highways (MAG)	358,752,000
Subtotal - Construction Expenditures	<u>933,552,000</u>
Total Planned Expenditures	\$1,400,643,000
Balance Forward	\$ (419,400)

- 1/ Includes unexpended bond proceeds for bonds issued in prior years.
- 2/ Includes all MAG and Statewide program miscellaneous revenues and expenses, including inflation discount factors, interest income, third party billings and paybacks, Regional Public Transportation Authority payments, and Motor Vehicle program fees retainage.
- 3/ Bond proceeds reflect a cash expenditure basis.

Highway User Revenue Fund Analysis

The Highway User Revenue Fund (HURF) consists of monies received in the state from transportation-related licenses, taxes, fees, penalties and interest such as the motor vehicle fuel tax, vehicle license tax, vehicle registration, driver's license, and others. HURF is the primary source of monies for the department's operating budget. The last line of *Table 3*, which shows Net State Highway Fund Monies Available for Statewide Highway Construction, does not include Maricopa County and Pima County Controlled Access Funds, Bond Funds, Federal Funds, Carryover Funds, and Miscellaneous Funds available for construction. The last line represents the amount that is available from the State Highway Fund to fund the State Transportation Board's 5-Year Plan.

Table 3

Highway User Revenue Fund (HURF) Distribution
(\$ in Thousands)

	FY 2002 Actual	FY 2003 Estimate	FY 2004 Exec Rec	FY 2004 JLBC Rec
Total HURF Collections	1,076,395	1,107,200	1,151,100	1,151,100
Less: Economic Strength Fund ^{1/}	1,000	500	1,000	1,000
ADOT – MVD Operating Budget	0	648	648	80,191
Dept of Public Safety Transfer from HURF	37,066	44,416	75,000	44,589
General Fund Transfer from HURF ^{2/}	15,000	0	0	0
Net HURF Collections	1,023,329	1,061,636	1,074,452	1,025,320
Less: Cities ^{3/}	312,115	323,951	327,906	312,723
Counties ^{3/}	194,433	201,806	204,269	194,811
General Fund Transfer	0	0	128,000	0
Controlled Access ^{4/}	78,551	81,530	63,069	78,704
Net State Highway Fund (Discretionary)	438,230	454,349	351,208	439,082
Plus: Other Income ^{5/}	14,069	13,850 ^{6/}	14,500	14,500
Less: Operating Budget (excludes MVD in JLBC FY 2004)	259,877	277,041	264,289	240,139 ^{7/}
Operating Carryovers, Adjustments and Transfer ^{8/}	4,389	7,657	0	5
Capital Outlay and Building Renewal	11,449	3,618	1,000	1,561
Capital Non-Lapsing Carryovers	0	6,040	0	0
Motor Vehicle Third Party Payments ^{9/}	6,571	7,335	7,836	7,836
Dept of Public Safety Transfer from Highway Fund	25,250	28,267	0	28,566
Debt Service ^{10/}	45,543	49,393	62,220	62,235
Net Highway Fund Available for Statewide Highway Construction (5-Year Plan) ^{11/}	99,220	88,848	30,363	113,240

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.

4/ A statutorily defined distribution of State Highway Fund monies for design, acquisition and construction of controlled access highways. 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 currently included in the department's capital budget.

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

11/ Excludes Maricopa and Pima County controlled access funds, and bond, federal carryover, and miscellaneous funds available for construction.

12/ Would be \$(20,380,000) if the \$50,742,800 construction operating budget is included in ADOT's operating budget, as it is in the JLBC recommendation for FY 2004.

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