

Department of Transportation
Motor Vehicle

JLBC: Bob Hull
 OSPB: Marcel Benberou

Subcommittee: Assets

DESCRIPTION	FY 2002	FY 2003	FY 2004	
	ACTUAL	ESTIMATE	OSPB	JLBC
OPERATING BUDGET				
<i>Full Time Equivalent Positions</i>	1,649.0	1,649.0	1,686.0	1,699.4
Personal Services	43,590,200	47,808,500	48,391,600	48,620,600
Employee Related Expenditures	12,251,400	14,619,400	15,373,500	15,424,900
Professional and Outside Services	682,500	755,000	775,600	1,048,300
Travel - In State	374,500	483,700	531,900	498,300
Travel - Out of State	19,500	32,000	30,000	32,000
Other Operating Expenditures	16,673,300	20,227,700	17,843,800	21,786,600
Equipment	2,615,000	1,798,300	1,598,300	1,349,800
OPERATING SUBTOTAL	76,206,400	85,724,600	84,544,700	88,760,500
SPECIAL LINE ITEMS				
Attorney General Legal Services SLI	131,900	137,000	137,000	137,700
Abandoned Vehicle Administration SLI	436,800	501,300	534,000	534,000
PROGRAM TOTAL	76,775,100	86,362,900	85,215,700	89,432,200

FUND SOURCES

Other Appropriated Funds

Air Quality Fund	0	0	47,300	52,000
Defensive Driving School Fund	0	0	0	5,216,800
Highway User Revenue Fund	0	648,200	648,200	80,190,700
Motor Vehicle Liability Insurance Enforcement Fund	559,600	1,030,200	1,059,600	1,059,600
Safety Enforcement and Transportation Infrastructure Fund	1,438,300	1,810,300	1,868,600	1,810,900
State Highway Fund	73,894,400	81,829,800	80,489,800	0
Vehicle Inspection and Title Enforcement Fund	882,800	1,044,400	1,102,200	1,102,200
SUBTOTAL - Other Appropriated Funds	76,775,100	86,362,900	85,215,700	89,432,200
SUBTOTAL - Appropriated Funds	76,775,100	86,362,900	85,215,700	89,432,200
TOTAL - ALL SOURCES	76,775,100	86,362,900	85,215,700	89,432,200

CHANGE IN FUNDING SUMMARY

	FY 2003 to FY 2004 JLBC	
	\$ Change	% Change
Other Appropriated Funds	3,069,300	3.6%

COST CENTER DESCRIPTION — *Motor Vehicle regulates vehicular operations within the state through the issuance and control of various permits, registrations and licenses.*

PERFORMANCE MEASURES	FY 2002	FY 2002	FY 2003	FY 2004
	Appropriation	Actual	Appropriation	Recommend.
• Average office wait time (minutes)	15 to 20	18.4	15 to 20	15 to 20
• Average telephone wait time (minutes)	1.5	3.8	1.4	3.5
• % of business processed by third parties	28	NA	30	31
• % of alternative vehicle registration renewal methods (mail, internet, third party)	68	68	69	70

Comments: The agency did not submit information for any measure labeled as "NA."

RECOMMENDED CHANGES FROM FY 2003

Standard Changes OF **FY 2004**
\$589,900

Transfer Defensive

Driving School Fund OF 5,216,800

The JLBC recommends a Defensive Driving School Fund increase and 28.4 FTE Positions to shift the Defensive Driving School program from the Supreme Court. (See JLBC Recommended Statutory Changes for more information.)

Transfer Revenue Accounting OF 802,000

The JLBC recommends a State Highway Fund and Air Quality Fund transfer-in and a transfer-in of 22 FTE Positions from Administration in order to better align this function with ADOT's structure.

Legal Services Cost Allocation OF 700

The JLBC recommends a State Highway Fund increase to cover higher Attorney General legal services due to the cost allocation of the Attorney General's Risk Management charge to client agencies.

Shift Funding to HURF OF 0

The JLBC recommends shifting the Motor Vehicle Division's \$79,807,400 of State Highway Fund funding and 1,607.5 FTE Positions to the Highway User Revenue Fund. Approximately 42.82% of HURF is currently distributed to the State Highway Fund and the remainder is distributed to cities and counties for streets and highways.

Vehicle Liens OF (60,000)

The JLBC recommends a State Highway Fund decrease for elimination of the one-time appropriation to implement issuing vehicle certificates of title with a lien interest to the lien holder instead of to the vehicle owner beginning January 1, 2003, and a pilot program which would allow participating lenders to record title and lien information electronically.

Trailer Registration OF (200,000)

The JLBC recommends a State Highway Fund decrease for elimination of the one-time appropriation to implement reduced registration fees and vehicle license taxes for certain trailers which exceed 10,000 pounds gross vehicle weight.

Vehicle Registration Enforcement OF (529,700)

The JLBC recommends a State Highway Fund and Highway User Revenue Fund decrease for the elimination of one-time training, computer programming and equipment for vehicle registration enforcement. This leaves \$766,600 remaining for continuing costs of the program.

Security Issues and Computer Equipment OF (2,750,400)

The JLBC recommends a State Highway Fund decrease for elimination of the appropriation for security enhancement issues and to upgrade computer equipment. ADOT was appropriated a total of \$8,251,200 non-lapsing for certain computer projects, and for unspecified security enhancement issues and to upgrade computer equipment for the last 3 fiscal years, including \$2,750,400 non-lapsing in each of FY 2001, FY 2002 and FY 2003.

ADOT reports that a total of \$5,787,200, of the total \$8,251,200 non-lapsing appropriations, was unexpended and unencumbered as of October 2002. The \$5,787,200 total, includes unexpended and unencumbered amounts of \$556,600

for FY 2001, \$2,480,200 for FY 2002, and \$2,750,400 for FY 2003. It should be noted that in addition to these appropriations, the Motor Vehicle Division was also appropriated an increase of \$929,200 and 3 FTE Positions in FY 2003 for special computer projects which remains in their budget. The JLBC recommends deleting the footnote making the appropriation for security enhancement issues and to upgrade computer equipment non-lapsing.

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JLBC RECOMMENDED FORMAT — Detailed Line Item for the Program. *(In the FY 2003 budget, the division had a Lump Sum by Program format.)*

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

It is the intent of the Legislature that all monies appropriated for the Motor Vehicle Division field offices and electronic services are combined resources designed to improve customer services and that the department should pursue increased efforts to further the utilization of electronic services (e-business transactions) to enhance customer services and create efficiencies, enhanced customer service and security issues.

New Footnotes

All Defensive Driving School Fund receipts received by the Arizona Department of Transportation in excess of \$5,216,800 in FY 2004 are appropriated to the Arizona Department of Transportation. Before the expenditure of any Defensive Driving School Fund receipts in excess of \$5,216,800 in FY 2004, the Arizona Department of Transportation shall submit the intended use of the monies for review by the Joint Legislative Budget Committee. *(This continues the standard footnote which previously applied to the Supreme Court.)*

Deletion of Prior Year Footnotes

The JLBC recommends deleting the footnote making the appropriation for security enhancement issues and to upgrade computer equipment non-lapsing. *(This conforms with the recommendation to eliminate this appropriation. Please see the "Security Issues and Computer Equipment" policy issue for more information.)*

The JLBC recommends deleting the footnote requiring the department to report to the Joint Legislative Budget Committee by December 1, 2002 on the status of their measurement system for vehicle registration enforcement. *(ADOT has submitted this report.)*

JLBC RECOMMENDED STATUTORY CHANGES

The JLBC recommends changing responsibility for administering the Defensive Driving School Fund from the Supreme Court to ADOT. *(Please see the "Transfer Defensive Driving School Fund" policy issue for more information.)*

SUMMARY OF FUNDS - SEE AGENCY SUMMARY

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