

# Department of Transportation

## Highways

JLBC: Bob Hull

OSPB: Marcel Benberou

DESCRIPTION	FY 2003	FY 2004	FY 2005	
	ACTUAL	ESTIMATE	OSPB	JLBC
<b>OPERATING BUDGET</b>				
<i>Full Time Equivalent Positions</i>	1,901.0	2,518.0		2,517.0
Personal Services	67,899,000	92,273,300		92,226,300
Employee Related Expenditures	20,202,900	30,755,900		30,742,000
Professional and Outside Services	1,266,300	1,414,300		1,414,300
Travel - In State	1,195,900	2,197,900		2,195,900
Travel - Out of State	47,100	56,800		56,800
Other Operating Expenditures	67,138,200	86,625,900		90,793,900
Equipment	7,998,500	12,951,900		13,951,900
<b>PROGRAM TOTAL</b>	<b>165,747,900</b>	<b>226,276,000</b>		<b>231,381,100</b>
<b>FUND SOURCES</b>				
General Fund	62,900	67,700		67,700
<u>Other Appropriated Funds</u>				
Safety Enforcement and Transportation Infrastructure Fund	525,700	558,700		558,700
State Highway Fund	134,942,700	193,130,900		197,236,000
Transportation Department Equipment Fund	30,216,600	32,518,700		33,518,700
SUBTOTAL - Other Appropriated Funds	165,685,000	226,208,300		231,313,400
<b>SUBTOTAL - Appropriated Funds</b>	<b>165,747,900</b>	<b>226,276,000</b>		<b>231,381,100</b>
Other Non-Appropriated Funds	538,050,200	464,549,100		464,549,100
Federal Funds	398,704,800	327,065,100		356,021,300
<b>TOTAL - ALL SOURCES</b>	<b>1,102,502,900</b>	<b>1,017,890,200</b>		<b>1,051,951,500</b>

### CHANGE IN FUNDING SUMMARY

FY 2004 to FY 2005 JLBC

	\$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	5,105,100	2.3%
Total Appropriated Funds	5,105,100	2.3%
Non Appropriated Funds	28,956,200	3.7%
Total - All Sources	34,061,300	3.3%

**COST CENTER DESCRIPTION** — Highways plans the statewide transportation system, including highways and airports. It is responsible for the location, design, right-of-way acquisition, construction, maintenance and management of the state highway system. It maintains the department's fleet of vehicles and equipment.

PERFORMANCE MEASURES	FY 2003 Appropriation	FY 2003 Actual	FY 2004 Appropriation	FY 2005 Recommend.
• % of Maricopa regional freeway miles completed	72	NA	73	79
• % of overall highway construction projects completed on schedule	85	96	100	100
• % of Highway Maintenance Level of Service - Roads meeting minimum standards	90	81	86	83

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

**RECOMMENDED CHANGES FROM FY 2004**

**Operating Budget**

The JLBC recommends \$231,381,100 for the operating budget in FY 2005. This amount includes \$67,700 from the General Fund, \$558,700 from the Safety Enforcement and Transportation Infrastructure Fund, \$197,236,000 from the State Highway Fund and \$33,518,700 from the Transportation Department Equipment Fund. These amounts would fund the following adjustments:

**Highway Maintenance**

**Workload OF \$2,621,600**

The JLBC recommends an increase of \$2,621,600 from the State Highway Fund for increased Highway Maintenance workload as additional miles of roadway come on line. The department estimates an increase of 251 maintenance lane miles in FY 2005, making a total of 27,463 statewide maintenance lane miles in FY 2005.

**Motor Pool Equipment Rental**

**Rate Increase OF 1,000,000**

The JLBC recommends an increase of \$1,000,000 from the State Highway Fund for Highway Maintenance for increased rental rates which will be charged by the ADOT motor pool for newly purchased vehicles and heavy equipment as these new items are put into service. ADOT expects to concentrate on replacing the overage heavy trucks and equipment used by Highway Maintenance. This recommendation provides monies for Highway Maintenance to pay increased vehicle and heavy equipment rental rates to the Transportation Department Equipment Fund, which will help ADOT to address its replacement backlog of \$53,100,000 for vehicles and heavy equipment. *(For more information, please see the Transportation Department Equipment Fund policy issue.)*

**Transportation Department**

**Equipment Fund OF 1,000,000**

The JLBC recommends an increase of \$1,000,000 from the Transportation Department Equipment Fund for additional replacement equipment, to help ADOT address its replacement backlog of \$53,100,000 for vehicles and heavy equipment. ADOT will produce \$1,000,000 of additional annual revenue for the Transportation Department Equipment Fund by increasing their rental rates for newly purchased vehicles and heavy equipment as these new items are put into service.

The Transportation Department Equipment Fund, which funds ADOT's motor pool, receives most of its revenue from vehicle and equipment rentals to other ADOT sections. ADOT values its fleet at \$151,000,000, spent \$6,249,100 for replacement equipment in FY 2003, and has a vehicle and heavy equipment replacement backlog of \$53,100,000. ADOT has 4,547 vehicles and equipment, including 1,583 automobiles and pickup trucks, 1,063 heavy trucks and heavy equipment, and 1,901 items of

other equipment (welders, forklifts, compressors, sprayers, sign boards, etc.). In the 3 fiscal years 2001 through 2003 ADOT spent \$23,900,000 for replacement equipment.

**Motor Pool Rental Rate**

**Technical Adjustment OF 555,700**

The JLBC recommends an increase of \$555,700 from the State Highway Fund for increased rental rates which will be charged by the ADOT motor pool for vehicles and heavy equipment. The total approved amount of \$32,518,700 in FY 2004 for the Transportation Department Equipment Fund, includes an increase of \$638,700 for health insurance, retirement and AFIS charges, but the amount of \$638,700 was not also added to the State Highway Fund at that time. This recommendation provides the monies for ADOT's sections to pay increased vehicle and heavy equipment rental rates in order to fund these technical adjustments in the Transportation Department Equipment Fund. The total increase of \$638,700 is divided among ADOT's programs as shown in *Table 1*.

**Table 1  
Vehicle and Heavy Equipment Rental Rate Increases**

<u>Program</u>	<u>Recommended Increase</u>
Administration	\$ 51,100
Highways <sup>1/</sup>	555,700
Motor Vehicle	<u>31,900</u>
Total	\$638,700

<sup>1/</sup> Includes \$472,700 for Highway Maintenance and \$83,000 for the construction operating budget.

**Transfer Highway Maintenance**

**FTE Positions OF 0**

The JLBC recommends a transfer of 8 FTE Positions from the Safety Enforcement and Transportation Infrastructure Fund to the State Highway Fund within Highway Maintenance in order to make them available for statewide Highway Maintenance needs. No monies for Personal Services or Employee Related Expenditures are being transferred, since ADOT has allocated the entire appropriation of \$558,700 from the Safety Enforcement and Transportation Infrastructure Fund in FY 2004 to contract for highway maintenance work near the southern ports of entry instead of using the FTE Positions.

**Transfer Waste Water Oversight OF (72,200)**

The JLBC recommends a transfer-out of \$(72,200) and (1) FTE Position from the State Highway Fund to the Administration Program in order to better align this function with ADOT's structure.

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**JLBC RECOMMENDED FORMAT — Lump Sum by Program**

## **JLBC RECOMMENDED FOOTNOTES**

### *Standard Footnotes*

Of the total amount appropriated for the Highways Program, \$99,808,000 in FY 2005 for Highway Maintenance is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations, except that all unexpended and unencumbered monies of the appropriation revert to their fund of origin, either the State Highway Fund or the Safety Enforcement and Transportation Infrastructure Fund on August 31, 2005.

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### **SUMMARY OF FUNDS - SEE AGENCY SUMMARY**

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