

Department of Transportation

Summary

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OSPB: Marcel Benberou

DESCRIPTION	FY 2003	FY 2004	FY 2005	
	ACTUAL	ESTIMATE	OSPB	JLBC
PROGRAM BUDGET				
Administration	50,805,700	56,253,000		56,376,300
Highways	165,747,900	226,276,000		231,381,100
Motor Vehicle	81,101,500	85,175,700		85,207,600
Aeronautics	3,280,500	1,896,100		1,896,100
AGENCY TOTAL	300,935,600	369,600,800		374,861,100

OPERATING BUDGET

<i>Full Time Equivalent Positions</i>	3,983.5	4,605.0		4,605.0
Personal Services	134,724,500	158,459,000		158,459,000
Employee Related Expenditures	39,719,300	54,127,200		54,127,200
Professional and Outside Services	3,089,600	2,813,300		2,813,300
Travel - In State	1,665,600	2,950,100		2,950,100
Travel - Out of State	105,000	151,300		151,300
Other Operating Expenditures	106,233,200	131,253,400		135,513,700
Equipment	11,053,300	16,866,200		17,866,200
OPERATING SUBTOTAL	296,590,500	366,620,500		371,880,800
Special Line Items (SLI)	4,345,100	2,980,300		2,980,300
AGENCY TOTAL	300,935,600	369,600,800		374,861,100

FUND SOURCES

General Fund	62,900	67,700		67,700
<u>Other Appropriated Funds</u>				
Air Quality Fund	51,100	55,700		55,700
Highway User Revenue Fund	648,200	383,300		383,300
Motor Vehicle Liability Insurance Enforcement Fund	1,011,000	1,100,600		1,100,600
Safety Enforcement and Transportation Infrastructure Fund	1,945,300	2,545,700		2,545,700
State Aviation Fund	3,280,500	1,896,100		1,896,100
State Highway Fund	262,711,900	329,913,600		334,173,900
Transportation Department Equipment Fund	30,216,600	32,518,700		33,518,700
Vehicle Inspection and Title Enforcement Fund	1,008,100	1,119,400		1,119,400
SUBTOTAL - Other Appropriated Funds	300,872,700	369,533,100		374,793,400
SUBTOTAL - Appropriated Funds	300,935,600	369,600,800		374,861,100
Other Non-Appropriated Funds	548,394,400	474,991,700		474,991,700
Federal Funds	407,458,800	329,065,100		363,121,300
TOTAL - ALL SOURCES	1,256,788,800	1,173,657,600		1,212,974,100

CHANGE IN FUNDING SUMMARY

FY 2004 to FY 2005 JLBC

	\$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	5,260,300	1.4%
Total Appropriated Funds	5,260,300	1.4%
Non Appropriated Funds	34,056,200	4.2%
Total - All Sources	39,316,500	3.3%

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

RECOMMENDED CHANGES FROM FY 2004

Highway Maintenance Workload	OF	\$2,621,600
Motor Pool Equipment Rental Rate Increase	OF	1,000,000
Transportation Department Equipment Fund	OF	1,000,000
Motor Pool Rental Rate Technical Adjustment	OF	638,700

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JLBC RECOMMENDED FORMAT — Lump Sum by Program

JLBC RECOMMENDED STATUTORY CHANGES

The JLBC recommends as session law, defer depositing 100% of the flight property tax to the State Aviation Fund from FY 2005 to FY 2006. *(This would produce an estimated \$7,000,000 of revenue for the General Fund in FY 2005, by continuing to deposit 50% of the flight property tax in the General Fund and 50% in the State Aviation Fund through FY 2005.)*

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

FTE Position Changes

The JLBC recommends a transfer of 1 FTE Position from Highways to the Administration Program to better align waste water oversight with ADOT’s structure. 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. (For more information please see Administration and Highways programs.)

SUMMARY OF FUNDS	FY 2003 Actual	FY 2004 Estimate
Air Quality (DTA2226/A.R.S. § 49-551)		Appropriated
Source of Revenue: An annual \$1.50 air quality fee collected for each vehicle at the time of registration. The Department of Transportation (ADOT) is appropriated monies from the Air Quality Fund in the Department of Environmental Quality.		
Purpose of Fund: For tracking the availability and sales of oxygenated fuels to ensure that a sufficient supply is available for non-attainment areas of the state.		
Funds Expended	51,100	55,700
Year-End Fund Balance	0	0
Aviation Federal Funds (DTA2267/A.R.S. § 28-363)		Non-Appropriated
Source of Revenue: Federal grants.		
Purpose of Fund: To develop Grand Canyon Airport, to update the State Aviation System Plan, and to conduct the FAA Airport Inspection program.		
Funds Expended - Capital	7,703,000	1,170,000
Funds Expended - Operating	1,051,000	830,000
Year-End Fund Balance	0	0
Cash Deposits (DTA2266/A.R.S. § 28-363)		Non-Appropriated
Source of Revenue: Deposits from individuals either bidding at auction on department property or renting department property.		
Purpose of Fund: To hold deposits from individuals bidding on excess land and property for sale at auction, which are either applied against their purchase price or are returned to the individual if their bid is unsuccessful. Also, to hold deposits from individuals who rent department property. Their money is either refunded at the end of their tenancy or is used to offset repairs, if needed.		
Funds Expended	138,800	130,000
Year-End Fund Balance	826,300	789,300

SUMMARY OF FUNDS	FY 2003 Actual	FY 2004 Estimate
Contract Counsel (DTA4212/A.R.S. § 28-6925)		Non-Appropriated
Source of Revenue: An amount of \$30,000 was originally appropriated from the State Highway Fund to the Contract Counsel Fund. The Arizona Department of Administration replenishes expended monies from State Highway Fund monies appropriated for construction of state highways, as the Arizona Department of Transportation submits itemized statements detailing their expenditures from the Contract Counsel Fund. The appropriation is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.		
Purpose of Fund: To reimburse the Attorney General for attorneys' services for rights-of-way condemnation cases on federal aid projects.		
Funds Expended	0	0
Year-End Fund Balance	30,000	30,000
ADOT Donations (DTA3080/A.R.S. § 28-818)		Partially-Appropriated
Source of Revenue: Federal funds, donations, monies from this state or any agency of this state for the Bicycle Safety Fund.		
Purpose of Fund: This fund includes 2 smaller funds, the Heavy Vehicle Equipment Licensing Information Fund and the Bicycle Safety Fund. A.R.S. § 28-818 establishes a bicycle safety fund to plan, engineer, construct and maintain bicycle paths. Subject to legislative appropriation, monies may be used to match federal or local monies spent for these purposes or for safety programs. Monies contributed by a political subdivision, donations designated for use in a political subdivision, and matching monies for such contributions or donations must be used in the political subdivision. The fund is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.		
Appropriated Funds Expended	0	0
Non-Appropriated Funds Expended	11,200	0
Year-End Fund Balance	0	0
Economic Strength Project (DTA2244/A.R.S. § 28-7282)		Non-Appropriated
Source of Revenue: The fund receives \$1,000,000 each June 15 distributed by the department from the Highway User Revenue Fund and interest from investment of inactive balances. Laws 2002, Chapter 22 makes a one-time reduction of this distribution to \$500,000 in FY 2003, before returning to \$1,000,000 annually in FY 2004.		
Purpose of Fund: For "economic strength" highway projects recommended by the Commerce and Economic Development Commission and approved by the State Transportation Board. These are projects that will retain or increase a significant number of jobs, lead to significant capital investment, or make a significant contribution to the economy of this state or within a local authority. Monies remaining in the Economic Strength Project Fund at the end of a fiscal year do not revert to the State General Fund.		
Funds Expended - Capital	55,800	540,000
Funds Expended - Operating	628,400	540,000
Year-End Fund Balance	2,807,500	2,807,500
Federal Grants (DTA2097/A.R.S. § 28-363)		Non-Appropriated
Source of Revenue: Federal grants, other than aviation federal grants.		
Purpose of Fund: For Federal highway construction and maintenance; assistance to elderly and handicapped; rural public transit; technical studies; rail planning and rehabilitation; other planning; highway statistical reporting; fatal accident reporting; safety; commercial driver's license; library updates; and fuel tax evasion.		
Funds Expended - Capital	388,578,400	319,969,000
Funds Expended - Operating	10,126,400	7,096,100
Distribution to Local Jurisdictions	54,308,300	52,318,800
Year-End Fund Balance	5,772,300	233,400
Grand Canyon Airport Authority Operating (GCA2459/A.R.S. § 35-142)		Appropriated
Source of Revenue: Grand Canyon Airport user fees and charges. This fund was established by the General Accounting Office to account for airport user fees and charges collected by the Grand Canyon Airport Authority. Laws 2000, Chapter 99, eliminated the Grand Canyon Airport Authority and transferred the fund balance to the department, effective July 18, 2000. Chapter 99 subsequently appropriated this balance, which the department reports as \$907,000, to the department for transfer on the effective date of the lease to the nonprofit corporation lessee who would operate the airport. Laws 2001, Chapter 99, reverted the \$907,000 to the State Aviation Fund on July 1, 2002, since the airport had not been leased by then.		
Purpose of Fund: To pay for the Grand Canyon Airport Authority's operating budget.		
Appropriated Funds Expended	0	0
Revert to State Aviation Fund	907,000	0
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2003 Actual	FY 2004 Estimate
Highway Expansion and Extension Loan Program (DTA2417/A.R.S. § 28-7674)		Non-Appropriated
Source of Revenue: The fund consists of monies appropriated by the Legislature; monies received from the federal government, state agencies, political subdivisions and Indian tribes; interest; and public or private gifts, grants or donations.		
Purpose of Fund: To create a state infrastructure bank under the Federal State Infrastructure Bank Act to provide financial assistance to political subdivisions, Indian tribes and state agencies for eligible transportation projects. The fund may be used to pay costs to administer the fund and shall pay costs of an annual financial audit of the fund. The fund is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.		
Funds Expended - Capital	131,718,700	93,582,000
Funds Expended - Operating	250,500	195,000
Year-End Fund Balance	96,010,300	93,303,300
Arizona Highway User Revenue (DTA3113/A.R.S. § 28-6533)		Appropriated
Source of Revenue: Transportation-related licenses, taxes, fees, penalties and interest such as the motor vehicle fuel tax, vehicle license tax, vehicle registration, driver's license, interest earnings, and others.		
Purpose of Fund: For various highway related purposes in the state, including distributions to the State Highway Fund which is the primary source for the department's operating budget, to the Department of Public Safety (DPS) for a portion of the highway patrol costs, to political subdivisions for highway purposes, and for capital highway construction projects.		
Funds Expended - Capital	0	0
Funds Expended - ADOT Operating	648,200	383,300
Funds Expended - DPS Operating	54,416,200	48,698,000
Distribution to Economic Strength Project Fund	500,000	1,000,000
Distribution to Cities	321,762,100	336,549,000
Distribution to Counties	200,442,000	209,654,000
Distribution to Controlled Access	80,978,500	84,700,000
Year-End Fund Balance	86,341,100	39,684,400
Arizona Highways Magazine (DTA2031/A.R.S. § 28-7315)		Non-Appropriated
Source of Revenue: Sales of subscriptions, maps, pamphlets, and other materials, and interest earnings. The fund can also consist of monies appropriated by the Legislature from the State Highway Fund, not to exceed \$500,000 annually. There are no current appropriations.		
Purpose of Fund: For production and sales of subscriptions, maps, pamphlets, etc. Remaining balances in this revolving fund at the end of a fiscal year shall not revert to the State General or State Highway Funds and expenditures are exempt from statutory allotment provisions.		
Funds Expended	10,143,900	10,262,600
Year-End Fund Balance	1,398,500	1,312,000
Local Agency Deposits (DTA3701/A.R.S. § 28-363)		Non-Appropriated
Source of Revenue: Monies received from local jurisdictions.		
Purpose of Fund: To pay for locally sponsored secondary road construction projects. Any money left after the project is closed out is returned to the local entity.		
Funds Expended - Capital	28,336,400	29,000,000
Funds Expended - Operating	1,231,200	1,220,000
Year-End Fund Balance	5,620,200	5,400,200
Maricopa Regional Area Road (DTA2029/A.R.S. § 28-6302)		Non-Appropriated
Source of Revenue: The fund consists of all transportation excise taxes collected pursuant to A.R.S. § 42-1482 and A.R.S. § 42-1482.01 that are designated for deposit in the Regional Area Road Fund in Maricopa County, plus proceeds from the sale of bonds, rents, and interest earnings.		
Purpose of Fund: For bond related expenses and for the design, purchase of right-of-way or construction of controlled access highways which are included in the county's regional transportation plan and accepted into the state highway system.		
Funds Expended - Capital	352,525,100	320,432,100
Funds Expended - Operating	23,292,900	19,040,000
Distribution to Regional Public Transportation Authority	7,502,100	7,588,000
Year-End Fund Balance	81,824,100	59,080,900

SUMMARY OF FUNDS	FY 2003 Actual	FY 2004 Estimate
Motor Carrier Safety Revolving (DTA2380/A.R.S. § 28-5203)		Non-Appropriated
Source of Revenue: The fund consists of monies appropriated by the Legislature; fines; forfeitures; fees and taxes deposited pursuant to A.R.S. Title 28, Chapter 14, "Motor Carrier Safety" which applies to all manufacturers, shippers, motor carriers and drivers who transport or cause the transportation of hazardous material, substances or waste; and monies received from private grants or donations.		
Purpose of Fund: To carry out the provisions of the chapter. DPS conducts investigations, the Motor Vehicle Division administers hearings, and the Attorney General enforces civil penalties. The fund is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.		
Funds Expended	0	0
Year-End Fund Balance	9,200	10,200
Motor Vehicle Liability Insurance Enforcement (DTA2285/A.R.S. § 28-4151)		Appropriated
Source of Revenue: Fees received by the department pursuant to A.R.S. Title 28, Chapter 9, Article 4 (mandatory motor vehicle insurance), such as fees to reinstate drivers' licenses and vehicle registrations canceled due to lack of insurance.		
Purpose of Fund: For the department to enforce mandatory motor vehicle liability insurance laws.		
Funds Expended	1,011,000	1,100,600
Year-End Fund Balance	5,328,400	7,400,800
Rental Tax and Bond Deposit (DTA3737/A.R.S. § 28-371)		Non-Appropriated
Source of Revenue: Cash deposits from motor carrier and use fuel taxpayers, and portions of rent that the department collects.		
Purpose of Fund: To hold cash deposits from motor carrier and use fuel taxpayers who choose to make cash deposits instead of providing surety bonds to guarantee their fee payments. Any money remaining in a taxpayer's account would be returned to the taxpayer. To hold the county property tax portion of rent on department properties, which is forwarded to the appropriate county tax office. Also, to hold the privilege tax portion of rent on the department's commercial properties, which is forwarded to the Department of Revenue.		
Funds Expended	0	0
Year-End Fund Balance	1,359,500	1,359,500
Safety Enforcement and Transportation Infrastructure (DTA2108/A.R.S. § 28-6547)		Appropriated
Source of Revenue: Fees for commercial vehicle permits collected at southern ports of entry on the border with Mexico, and interest earnings. Monies in the fund are exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations.		
Purpose of Fund: For enforcement of vehicle safety requirements by DPS and ADOT, and for the maintenance and upgrade of transportation facilities, within 25 miles of the border with Mexico. Also provides for the maintenance and construction of transportation facilities along the route of the Canada to Mexico (CANAMEX) trucking and trade corridor, which came about as a result of the North American Free Trade Agreement (NAFTA) between Canada, the United States and Mexico.		
Funds Expended - Capital	2,543,100	509,800
Funds Expended - ADOT Operating	1,945,300	2,545,700
Funds Expended - DPS Operating	1,128,700	1,192,800
Year-End Fund Balance	2,117,800	1,292,100
Shared Location and Advertising Agreements Expense (DTA2414/A.R.S. § 28-409)		Non-Appropriated
Source of Revenue: The fund consists of monies received from agreements with public and private entities for services located in department offices or to advertise those entities' goods and services.		
Purpose of Fund: To partially offset the department's cost of providing a location or advertising. The fund is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.		
Funds Expended	61,500	50,000
Year-End Fund Balance	62,300	49,800
State Aviation (DTA2005/A.R.S. § 28-8202)		Appropriated
Source of Revenue: Flight property tax, aircraft registration fees, license taxes, fuel taxes, the sale of abandoned aircraft, receipts from airports operated by the department, and interest earnings.		
Purpose of Fund: For the administration of aviation laws, the operation and maintenance of state-owned airports, and capital projects at publicly-owned and operated airports of political subdivisions.		
Funds Expended - Capital	13,183,700	10,641,400
Funds Expended - Operating	3,280,500	1,896,100
Year-End Fund Balance	6,656,400	7,867,400

SUMMARY OF FUNDS	FY 2003 Actual	FY 2004 Estimate
State Highway (DTA2030/A.R.S. § 28-6991)		Appropriated
Source of Revenue: Monies distributed from the Highway User Revenue Fund, certain vehicle fees which are deposited directly to the State Highway Fund, interest earnings, appropriations by the Legislature, and donations.		
Purpose of Fund: For the department's operating budget, the acquisition of right-of-way, construction and maintenance of state highways and roads, and other highway related projects.		
Funds Expended - Capital	763,486,800	544,812,700
Funds Expended - Debt Service	83,157,200	98,400,000
Funds Expended - ADOT Operating	262,711,900	329,913,600
Funds Expended - DPS Operating	30,109,100	30,151,400
Transfer to General Fund to Reimburse		
Highway Patrol Expenditures in FY 2001	10,000,000	0
Year-End Fund Balance	239,038,900	120,670,300
Transportation Department Equipment (DTA2071/A.R.S. § 28-7006)		Appropriated
Source of Revenue: Equipment rental, sale at auction, insurance recoveries, donations, interest earnings, and monies appropriated by the Legislature (for purchase, repairs and maintenance).		
Purpose of Fund: For ownership, maintenance, service or repair of equipment and consumable material including administrative expenses.		
Funds Expended	30,216,600	32,518,700
Year-End Fund Balance	3,343,900	183,800
Underground Storage Tank Revolving (DTA3728/A.R.S. § 28-6008)		Non-Appropriated
Source of Revenue: The fund consists of Underground Storage Tank taxes paid by persons liable for motor/aviation fuel taxes; or persons who refine, manufacture or produce compounds, blend or import diesel (liquid petroleum).		
Purpose of Fund: For department administrative expenses. Per subsections A and B of A.R.S. § 28-1599.45, "the director acts only as a collecting agent for the Director of the Department of Environmental Quality and assumes no responsibility for the underlying tax liability." The department retains only administrative costs as determined by an intergovernmental agreement between ADOT and the Department of Environmental Quality.		
Funds Expended	0	0
Year-End Fund Balance	228,800	243,800
Vehicle Inspection and Title Enforcement (DTA2272/A.R.S. § 28-2012)		Appropriated
Source of Revenue: Fees of \$20 and \$50 for performing more detailed level 2 and level 3 inspections of vehicle identification numbers, before issuing restored salvage titles on repaired salvage and similar vehicles.		
Purpose of Fund: To defray the cost of investigations involving certificates of title, licensing fraud, registration enforcement and other enforcement related issues. A portion of the revenues are transferred to DPS for investigations concerning automobile theft.		
Funds Expended	1,008,100	1,119,400
Year-End Fund Balance	1,442,000	1,773,600

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