

Department of Transportation
Highways

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DESCRIPTION	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 JLBC
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	2,518.0	2,522.0	2,516.0
Personal Services	78,024,300	90,772,600	90,506,400
Employee Related Expenditures	28,020,400	33,238,900	31,509,300
Professional and Outside Services	6,899,300	2,947,700	1,875,100
Travel - In State	1,845,100	2,517,300	2,514,700
Travel - Out of State	48,700	62,800	59,200
Other Operating Expenditures	68,852,900	87,701,700	91,283,000
Equipment	7,084,100	6,526,100	5,872,900
OPERATING SUBTOTAL	190,774,800	223,767,100	223,620,600
SPECIAL LINE ITEMS			
Vehicles and Heavy Equipment	31,628,200	34,004,700	34,004,700
PROGRAM TOTAL	222,403,000	257,771,800	257,625,300

FUND SOURCES			
General Fund	68,100	71,700	71,700
<u>Other Appropriated Funds</u>			
Safety Enforcement and Transportation Infrastructure Fund	558,600	558,700	558,700
State Highway Fund	190,148,100	223,136,700	222,990,200
Transportation Department Equipment Fund	31,628,200	34,004,700	34,004,700
SUBTOTAL - Other Appropriated Funds	222,334,900	257,700,100	257,553,600
SUBTOTAL - Appropriated Funds	222,403,000	257,771,800	257,625,300
Other Non-Appropriated Funds			
Federal Funds	688,180,400	509,759,200	370,042,000
TOTAL - ALL SOURCES	1,324,981,100	1,171,219,700	1,038,625,900

CHANGE IN FUNDING SUMMARY

	FY 2005 to FY 2006 JLBC	
	\$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	(146,500)	(0.1%)
Total Appropriated Funds	(146,500)	(0.1%)
Non Appropriated Funds	(132,447,300)	(14.5%)
Total - All Sources	(132,593,800)	(11.3%)

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 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 JLBC
• % of Maricopa regional freeway miles completed	NA	79	79	88
• % of overall highway construction projects completed on schedule	96	98	100	100
• % of Highway Maintenance Level of Service - Roads meeting minimum standards	81	NA	83	--

Comments: The agency did not submit information for any measure labeled as "NA." The overall highway construction projects completed on schedule increased 2% to 98% in FY 2004.

RECOMMENDED CHANGES FROM FY 2005

Operating Budget

The JLBC recommends \$223,620,600 for the operating budget in FY 2006. This amount consists of:

	FY 2006
General Fund	\$71,700
Safety Enforcement and Transportation Infrastructure Fund	558,700
State Highway Fund	222,990,200

These amounts include the following adjustments:

Highway Maintenance

Workload OF 1,529,700

The JLBC recommends an increase of \$1,529,700 from the State Highway Fund in FY 2006 for increased Highway Maintenance workload as additional miles of roadway come on line. The department estimates an increase of 255 maintenance lane miles in FY 2006, making a total of 29,185 statewide maintenance lane miles in FY 2006. The 255 maintenance lane miles includes 170 maintenance lane miles of new construction and 85 maintenance lane miles of Loop 303. ADOT expects to assume maintenance responsibility from Maricopa County for Loop 303 by July 1, 2005, following the passage of Proposition 400 which includes funding for Loop 303 as an urban freeway.

Motor Pool Rental Rate

Technical Adjustment OF 447,100

The JLBC recommends an increase of \$447,100 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 \$34,004,700 in FY 2005 for the Transportation Department Equipment Fund, includes an increase of \$486,000 for salary adjustment and health insurance charges, but the amount of \$486,000 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 \$486,000 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	\$ 14,600
Highways ^{1/}	447,100
Motor Vehicle	<u>24,300</u>
Total	\$486,000

^{1/} Includes \$354,800 for Highway Maintenance, \$68,000 for the construction operating budget and \$24,300 for Highways Administration.

Risk Management

GF 0
OF 0

The JLBC recommends \$16,773,800 in FY 2006 for the Risk Management payment to the Arizona Department of Administration. This amount is unchanged from FY 2005 and consists of:

General Fund	\$300
State Highway Fund	16,082,200
Transportation Department Equipment Fund	605,300
State Aviation Fund	80,500
Air Quality Fund	200
Motor Vehicle Liability Insurance Enforcement Fund	2,000
Vehicle Inspection and Title Enforcement Fund	1,700
Safety Enforcement and Transportation Infrastructure Fund	1,600

The Arizona Department of Administration proposed a decrease of \$(2,821,700) in FY 2006 for ADOT's Risk Management payment due to reduced claim costs. ADOT has had several recent high dollar claim settlements against them. The JLBC recommends not decreasing their Risk Management payment.

The JLBC also recommends a new footnote that from their total appropriation ADOT shall pay \$16,773,800 in FY 2006 from all funds to the Arizona Department of Administration for their Risk Management payment.

One-Time Costs

OF (646,200)

The JLBC recommends a decrease of \$(646,200) from the State Highway Fund in FY 2006 for one-time equipment for Highway Maintenance workload and lighting.

Transfer Partnering Group and Graphic Artists

OF (1,477,100)

The JLBC recommends a transfer-out of \$(1,477,100) and (6) FTE Positions from the State Highway Fund in FY 2006 to transfer the partnering group and graphic artists to ADOT's reorganized communication and community partnerships office in the Administration Program. (*Please see Administration for more details.*)

Special Line Items

Vehicles and Heavy Equipment

The JLBC recommends \$34,004,700 from the Transportation Department Equipment Fund for vehicles and heavy equipment in FY 2006. This amount is unchanged from FY 2005.

With the transfer of these monies to a new special line item, the operating budget will no longer double count the amounts paid by Highways sections for the rental of motor pool equipment. Monies in this line item allow the department to maintain and replace the department's fleet

of vehicles, trucks and specialty equipment, and perform motor pool services for other state agencies. The FY 2004 and FY 2005 numbers have been adjusted for comparability.

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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, \$107,909,000 in FY 2006 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, 2006.

New Footnotes

Of the \$391,302,400 appropriation to the Arizona Department of Transportation, the department shall pay \$16,773,800 in FY 2006 from all funds to the Arizona Department of Administration for their Risk Management payment. *(This would maintain ADOT's Risk Management payment at the FY 2005 level. See the Risk Management Policy Issue for additional information.)*

SUMMARY OF FUNDS - SEE AGENCY SUMMARY

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