

Department of Transportation

Summary

JLBC: Bob Hull

OSPB: Marcel Benberou

DESCRIPTION	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 JLBC
PROGRAM BUDGET			
Administration	56,243,300	38,801,800	40,433,700
Highways	222,403,000	257,771,800	257,625,300
Motor Vehicle	83,536,000	91,301,000	91,276,400
Aeronautics	1,823,800	1,967,000	1,967,000
AGENCY TOTAL	364,006,100	389,841,600	391,302,400

OPERATING BUDGET

<i>Full Time Equivalent Positions</i>	4,605.0	4,626.0	4,633.0
Personal Services	139,874,800	158,709,900	158,890,100
Employee Related Expenditures	49,999,600	59,208,800	58,087,100
Professional and Outside Services	9,827,500	5,816,300	5,816,300
Travel - In State	2,240,100	3,052,400	3,053,000
Travel - Out of State	129,300	171,200	170,900
Other Operating Expenditures	115,805,200	117,076,400	120,079,900
Equipment	11,473,000	8,686,600	8,121,100
OPERATING SUBTOTAL	329,349,500	352,721,600	354,218,400
Special Line Items (SLI)	34,656,600	37,120,000	37,084,000
AGENCY TOTAL	364,006,100	389,841,600	391,302,400

FUND SOURCES

General Fund	68,100	71,700	71,700
<u>Other Appropriated Funds</u>			
Air Quality Fund	55,700	58,600	58,600
Highway User Revenue Fund	383,300	419,300	383,300
Motor Vehicle Liability Insurance Enforcement Fund	1,052,100	1,175,500	1,291,000
Safety Enforcement and Transportation Infrastructure Fund	1,465,600	2,733,200	2,703,200
State Aviation Fund	1,823,800	1,967,000	1,967,000
State Highway Fund	326,616,300	348,261,700	349,399,300
Transportation Department Equipment Fund	31,628,200	34,004,700	34,004,700
Vehicle Inspection and Title Enforcement Fund	913,000	1,149,900	1,423,600
SUBTOTAL - Other Appropriated Funds	363,938,000	389,769,900	391,230,700
SUBTOTAL - Appropriated Funds	364,006,100	389,841,600	391,302,400
Other Non-Appropriated Funds	697,565,000	519,321,000	379,603,800
Federal Funds	414,832,900	405,566,600	421,258,600
TOTAL - ALL SOURCES	1,476,404,000	1,314,729,200	1,192,164,800

CHANGE IN FUNDING SUMMARY

	FY 2005 to FY 2006 JLBC	
	\$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	1,460,800	0.4%
Total Appropriated Funds	1,460,800	0.4%
Non Appropriated Funds	(124,025,200)	(13.4%)
Total - All Sources	(122,564,400)	(9.3%)

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 2005

	<u>FY 2006</u>
Highway Maintenance	
Workload	OF \$1,529,700
Motor Pool Rental Rate	
Technical Adjustment	OF 486,000
Vehicle Inspection	OF 273,700
Third Party Quality	
Assurance	OF 140,500
One-Time Costs	OF (969,100)

* * *

JLBC RECOMMENDED FORMAT — Lump Sum by Program

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

By September 1, 2005, the department shall report to the Joint Legislative Budget Committee information on unit cost measures for the Committee’s review. The report shall include measures for FY 2005 for highway maintenance landscape in-house unit cost per centerline mile and highway maintenance landscape contract unit cost per centerline mile. The highway maintenance landscape in-house unit cost per centerline mile shall include the department’s direct costs and the costs of training and supervision, administrative overhead, Employee related Expenditures and All other Operating Expenditures such as Risk Management, building depreciation and rent. The highway maintenance landscape contract unit cost per centerline mile shall

include the department’s actual contract costs and the costs for bidding and administering the contract, inspecting and approving the work, training and supervision of purchasing and other involved department employees, administrative overhead, Employee Related Expenditures and All Other Operating Expenditures such as Risk Management, building depreciation and rent. For the highway maintenance landscape contract unit cost per centerline mile, the report shall identify the amount of transaction privilege taxes included in the contract costs. The report shall explain the methodology used to derive each unit cost measure, including the dollar amounts for each cost item and how each dollar amount was used in the calculation of the unit cost measure.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

FTE Position Changes

The JLBC recommends an increase of 7 FTE Positions in the Motor Vehicle Division, including increases of 4 FTE Positions for increased workload of vehicle identification number inspections, and 3 FTE Positions for increased workload in third party quality assurance and to address the moratorium on accepting new third parties. *(Please see Motor Vehicle for more details.)* The JLBC recommends a transfer of 6 partnering group and graphic artist FTE Positions from Highways to Administration for ADOT’s reorganized communication and community partnerships office. *(Please see Administration for more details.)*

Highway User Revenue Fund (HURF) Distributions

Please see Capital Outlay section for this information.

SUMMARY OF FUNDS	FY 2004 Actual	FY 2005 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	55,700	58,600
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	435,200	777,900
Funds Expended - Operating	0	1,100,000
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2004 Actual	FY 2005 Estimate
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	93,900	90,000
Year-End Fund Balance	625,200	635,200
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
Distribution to State Highway Fund	30,000	0
Year-End Fund Balance	0	0
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	0	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 from the Highway User Revenue Fund and interest from investment of inactive balances.		
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	0	690,100
Funds Expended - Operating	216,100	690,100
Year-End Fund Balance	3,650,000	3,329,800
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	412,787,800	398,430,000
Funds Expended - Operating	1,609,900	5,258,700
Distribution to Local Jurisdictions	36,407,400	45,781,800
Year-End Fund Balance	3,239,300	1,989,900

SUMMARY OF FUNDS	FY 2004 Actual	FY 2005 Estimate
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. The fund is inactive with the elimination of the Grand Canyon Airport Authority effective July 18, 2000 and reversion of the \$907,000 balance to the State Aviation Fund on July 1, 2002.		
Purpose of Fund: To pay for the Grand Canyon Airport Authority's operating budget.		
Appropriated Funds Expended	0	0
Year-End Fund Balance	0	0
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 makes loans to ADOT, cities, and other entities to accelerate highway construction projects. The loans are repaid from future programmed funds for those 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	355,794,800	91,600,000
Funds Expended - Operating	3,625,600	252,000
Year-End Fund Balance	92,038,700	72,396,700
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	383,300	419,300
Funds Expended - DPS Operating	48,698,000	52,216,300
Distribution to Economic Strength Project Fund	1,000,000	1,000,000
Distribution to Cities	342,511,600	358,645,000
Distribution to Counties	213,367,900	223,418,000
Distribution to Controlled Access	86,200,600	72,325,000
Distribution to General Fund	0	118,000,000
Year-End Fund Balance	114,427,200	141,848,800
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 Fund and expenditures are exempt from statutory allotment provisions.		
Funds Expended	9,221,100	9,441,800
Year-End Fund Balance	1,484,100	1,410,800
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	34,012,200	31,500,000
Funds Expended - Operating	1,625,500	1,500,000
Year-End Fund Balance	3,147,500	3,147,500

SUMMARY OF FUNDS	FY 2004 Actual	FY 2005 Estimate
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	279,205,800	362,943,000
Funds Expended - Operating	13,700,400	20,584,000
Distribution to Regional Public Transportation Authority	7,587,800	7,713,000
Year-End Fund Balance	113,829,800	51,339,800
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	13,600	14,600
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	1,052,100	1,175,500
Year-End Fund Balance	6,795,100	8,419,600
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	1,451,300	1,451,300
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	0	0
Funds Expended - ADOT Operating	1,465,600	2,733,200
Funds Expended - DPS Operating	1,022,100	1,226,800
Year-End Fund Balance	1,362,200	402,200

SUMMARY OF FUNDS	FY 2004 Actual	FY 2005 Estimate
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	69,600	30,000
Year-End Fund Balance	30,200	30,200
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	10,817,500	21,283,000
Funds Expended - Operating	1,823,800	1,967,000
Year-End Fund Balance	9,036,500	8,049,500
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	619,731,000	563,000,000
Funds Expended - Debt Service	104,303,600	111,383,000
Funds Expended - ADOT Operating	326,616,300	348,261,700
Funds Expended - DPS Operating	30,151,400	32,680,100
Year-End Fund Balance	277,639,600	138,876,400
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	31,628,200	34,004,700
Year-End Fund Balance	1,984,300	1,759,600
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	2,617,000	2,617,000
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	913,000	1,149,900
Year-End Fund Balance	2,030,200	2,489,700

[Click here to return to the Table of Contents](#)