

Department of Transportation

Highways

JLBC: Bob Hull

OSPB: Marcel Benberou

DESCRIPTION	FY 2005 ACTUAL	FY 2006 ESTIMATE	FY 2007 JLBC
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	2,522.0	2,516.0	2,516.0
Personal Services	51,446,500	62,703,200	62,700,500
Employee Related Expenditures	16,992,500	22,605,200	22,605,200
Professional and Outside Services	5,316,100	1,545,100	1,545,100
Travel - In State	1,183,800	1,777,000	1,777,000
Travel - Out of State	47,300	56,900	56,900
Other Operating Expenditures	34,171,500	29,130,300	29,133,000
Equipment	7,925,500	4,007,900	4,007,900
OPERATING SUBTOTAL	117,083,200	121,825,600	121,825,600
SPECIAL LINE ITEMS			
Vehicles and Heavy Equipment	34,003,800	34,618,500	34,618,500
Vehicles and Heavy Equipment Fuel Surcharge	0	2,000,000	2,000,000
Highway Maintenance	103,456,200	110,633,200	112,395,800
PROGRAM TOTAL	254,543,200	269,077,300	270,839,900
FUND SOURCES			
General Fund	71,700	74,700	74,700
<u>Other Appropriated Funds</u>			
Safety Enforcement and Transportation Infrastructure Fund	558,700	558,700	558,700
State Highway Fund	219,909,000	232,825,400	234,588,000
Transportation Department Equipment Fund	34,003,800	35,618,500	35,618,500
SUBTOTAL - Other Appropriated Funds	254,471,500	269,002,600	270,765,200
SUBTOTAL - Appropriated Funds	254,543,200	269,077,300	270,839,900
Other Non-Appropriated Funds	397,075,400	427,192,600	427,192,600
Federal Funds	465,731,900	427,342,000	441,815,500
TOTAL - ALL SOURCES	1,117,350,500	1,123,611,900	1,139,848,000

CHANGE IN FUNDING SUMMARY

	FY 2006 to FY 2007 JLBC	
	\$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	1,762,600	0.7%
Total Appropriated Funds	1,762,600	0.7%
Non Appropriated Funds	14,473,500	1.7%
Total - All Sources	16,236,100	1.4%

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 Actual	FY 2007 JLBC
• % of Maricopa regional freeway miles completed Comments: The agency did not submit information for this measure in FY 2003.	NA	79	85	100
• % of overall highway construction projects completed on schedule	96	98	98	100

RECOMMENDED CHANGES FROM FY 2006

Operating Budget

The JLBC recommends \$121,825,600 for the operating budget in FY 2007. This amount consists of:

	<u>FY 2007</u>
General Fund	\$74,700
State Highway Fund	121,750,900

This amount is unchanged from FY 2006.

Special Line Items

Vehicles and Heavy Equipment

The JLBC recommends \$34,618,500 and 247 FTE Positions from the Transportation Department Equipment Fund for vehicles and heavy equipment in FY 2007. This amount is unchanged from FY 2006.

With the transfer of these monies to a new special line item beginning in FY 2006, the operating budget no longer double counts 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, and perform motor pool services for other state agencies. The FY 2005 numbers have been adjusted for comparability.

Vehicles and Heavy Equipment Fuel Surcharge

The JLBC recommends \$2,000,000 for vehicles and heavy equipment fuel surcharge in FY 2007. This amount consists of:

State Highway Fund	1,000,000
Transportation Department Equipment Fund	1,000,000

This amount is unchanged from FY 2006.

The total of \$2,000,000 is for \$1,000,000 from the Transportation Department Equipment Fund to pay for increased gas prices, and \$1,000,000 from the State Highway Fund for ADOT's sections to reimburse the Transportation Department Equipment Fund in order to hold the Transportation Department Equipment Fund harmless so as to not adversely impact the purchase of replacement vehicles and equipment.

Highway Maintenance

The JLBC recommends \$112,395,800 and 925 FTE Positions for highway maintenance in FY 2007. This amount consists of:

Safety Enforcement and Transportation	
Infrastructure Fund	558,700
State Highway Fund	111,837,100

These monies were transferred from the operating budget to a new special line item to highlight highway maintenance expenditures beginning in FY 2006. Monies in this line item are used to maintain the state highway system, including pavements, bridges, landscaping, drainage, signals, lights, fences, signs, striping, and snow removal. They also operate the freeway management system and the traffic operations center. The FY 2005 numbers have been adjusted for comparability.

These amounts include the following adjustments:

Highway Maintenance

Workload **OF 1,762,600**

The JLBC recommends an increase of \$1,762,600 from the State Highway Fund in FY 2007 for increased Highway Maintenance workload as additional miles of roadway come on line. The department estimates an increase of 232 maintenance lane miles in FY 2007, making a total of 27,190 statewide maintenance lane miles in FY 2007. It should be noted that Proposition 400 makes an additional \$3.1 M available for landscape maintenance from the Maricopa Regional Area Road Fund in FY 2006, and \$9 M in FY 2007.

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JLBC RECOMMENDED FORMAT — Operating Lump Sum with Special Line Items by Program.

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

Of the total amount appropriated for the Highways Program, \$112,395,800 in FY 2007 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, 2007.

Of the \$410,160,300 appropriation to the Arizona Department of Transportation, the department shall pay \$16,773,800 in FY 2007 from all funds to the Arizona Department of Administration for their Risk Management payment.

Deletion of Prior Year Footnotes

The JLBC recommends deleting the footnote relating to the 5% salary increase for all participants in ADOT's engineering pay plan as of July 1, 2005, which was in addition to the 1.7% salary adjustment for state employees. *(This was a one-time 5% salary increase.)*

SUMMARY OF FUNDS - SEE AGENCY SUMMARY
