

Department of Transportation

Summary

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DESCRIPTION	FY 2005 ACTUAL	FY 2006 ESTIMATE	FY 2007 JLBC
PROGRAM BUDGET			
Administration	38,772,100	41,802,600	41,392,500
Highways	254,543,200	269,077,300	270,839,900
Motor Vehicle	90,138,400	96,176,700	95,898,100
Aeronautics	1,797,700	2,029,800	2,029,800
AGENCY TOTAL	385,251,400	409,086,400	410,160,300

OPERATING BUDGET

<i>Full Time Equivalent Positions</i>	4,626.0	4,649.0	4,649.0
Personal Services	117,768,100	131,985,400	131,981,100
Employee Related Expenditures	40,296,500	52,703,500	52,703,500
Professional and Outside Services	9,321,900	3,657,800	4,157,800
Travel - In State	1,761,400	2,339,600	2,339,600
Travel - Out of State	167,600	181,200	181,200
Other Operating Expenditures	63,190,000	57,515,300	56,747,200
Equipment	12,242,100	9,843,300	9,472,300
OPERATING SUBTOTAL	244,747,600	258,226,100	257,582,700
Special Line Items (SLI)	140,503,800	150,860,300	152,577,600
AGENCY TOTAL	385,251,400	409,086,400	410,160,300

FUND SOURCES

General Fund	71,700	74,700	74,700
<u>Other Appropriated Funds</u>			
Air Quality Fund	58,600	61,500	61,500
Driving Under the Influence Abatement Fund	0	442,000	131,500
Highway User Revenue Fund	420,300	633,300	588,000
Motor Vehicle Liability Insurance Enforcement Fund	974,000	1,952,700	1,325,600
Safety Enforcement and Transportation Infrastructure Fund	1,978,400	2,143,500	2,743,500
State Aviation Fund	1,797,700	2,029,800	2,029,800
State Highway Fund	344,834,200	364,661,800	366,238,600
Transportation Department Equipment Fund	34,003,800	35,618,500	35,618,500
Vehicle Inspection and Title Enforcement Fund	1,112,700	1,468,600	1,348,600
SUBTOTAL - Other Appropriated Funds	385,179,700	409,011,700	410,085,600
SUBTOTAL - Appropriated Funds	385,251,400	409,086,400	410,160,300
Other Non-Appropriated Funds	405,422,100	435,765,500	435,765,500
Federal Funds	468,005,900	431,892,000	445,865,500
TOTAL - ALL SOURCES	1,258,679,400	1,276,743,900	1,291,791,300

CHANGE IN FUNDING SUMMARY

	FY 2006 to FY 2007 JLBC	
	\$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	1,073,900	0.3%
Total Appropriated Funds	1,073,900	0.3%
Non Appropriated Funds	13,973,500	1.6%
Total - All Sources	15,047,400	1.2%

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 2006

		<u>FY 2007</u>
Highway Maintenance Workload	OF	1,762,600
New MVD Computer System Planning	OF	500,000
SETIF – MVLIE Funding Shift	OF	0
Phone System Loan Payment	OF	(410,100)
One-Time Costs	OF	(778,600)

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JLBC RECOMMENDED FORMAT — Varies by Program

JLBC RECOMMENDED FOOTNOTES

Deletion of Prior Year Footnotes

The JLBC recommends deleting the footnote requiring the department to report to the Joint Legislative Budget Committee by September 1, 2005 information on highway maintenance landscape in-house and contract unit costs. *(This is a one-time report.)*

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

FTE Position Changes

The JLBC recommends no change in the total number of FTE Positions. The JLBC recommends a shift of 9 FTE Positions and related funding from the Motor Vehicle Liability Insurance Enforcement Fund to the Safety Enforcement and Transportation Infrastructure Fund in FY 2007 to reverse a corresponding one-time funding shift in FY 2006. *(Please see Motor Vehicle for more details.)*

Highway User Revenue Fund (HURF) Distributions

Please see Capital Outlay section for this information.

SUMMARY OF FUNDS	FY 2005 Actual	FY 2006 Estimate
Air Quality Fund (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	58,600	61,500
Year-End Fund Balance	0	0
Arizona Highways Magazine Fund (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	8,229,700	8,441,000
Year-End Fund Balance	1,718,000	2,079,000
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	2,274,000	2,620,000
Funds Expended - Operating	0	1,930,000
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2005 Actual	FY 2006 Estimate
Cash Deposits Fund (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	101,900	101,900
Year-End Fund Balance	605,300	585,400
Contract Counsel Fund (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	0	0
ADOT Donations Fund (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
Driving Under the Influence Abatement Fund (DTA3112/A.R.S. § 28-1304)		Appropriated
Source of Revenue: An additional assessment of \$250 for persons convicted of driving under the influence or extreme driving under the influence.		
Purpose of Fund: For grants to political subdivisions and tribal governments for enforcement and prevention of driving under the influence in a motor vehicle or motorized watercraft. The Oversight Council on Driving or Operating Under the Influence Abatement administers the fund, and may use up to 5% of fund revenue for administration. Interest earnings are credited to the fund. Monies in the fund are exempt from lapsing under A.R.S. § 35-190.		
Funds Expended	0	442,000
Year-End Fund Balance	0	0
Economic Strength Project Fund (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	731,200	1,100,000
Year-End Fund Balance	4,013,700	4,013,700

SUMMARY OF FUNDS	FY 2005 Actual	FY 2006 Estimate
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	463,808,900	423,991,200
Funds Expended - Operating	1,923,000	3,350,800
Year-End Fund Balance	3,216,200	1,875,400
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. 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.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Highway Expansion and Extension Loan Program Fund (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	53,686,000	54,520,000
Funds Expended - Operating	1,591,700	225,000
Year-End Fund Balance	95,305,000	71,675,000
Highway User Revenue Fund (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 - Operating	420,300	633,300
Distribution to Economic Strength Project Fund	1,000,000	1,000,000
Distribution to Cities	363,534,600	378,651,000
Distribution to Counties	226,464,200	235,881,000
Distribution to Controlled Access	73,555,500	94,890,000
Distribution to General Fund	118,000,000	0
Year-End Fund Balance	120,755,500	118,803,000
Local Agency Deposits Fund (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	42,389,700	42,000,000
Funds Expended - Operating	1,019,400	940,000
Year-End Fund Balance	9,817,700	7,877,700

SUMMARY OF FUNDS	FY 2005 Actual	FY 2006 Estimate
Maricopa Regional Area Road Fund (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	286,416,700	311,987,600
Funds Expended - Operating	11,240,700	16,420,000
Year-End Fund Balance	153,184,600	126,500,000
Motor Carrier Safety Revolving Fund (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	23,300	33,000
Motor Vehicle Liability Insurance Enforcement Fund (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	974,000	1,952,700
Year-End Fund Balance	8,424,300	9,205,000
Rental Tax and Bond Deposit Fund (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	554,000	554,000
Safety Enforcement and Transportation Infrastructure Fund (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	1,978,400	2,143,500
Year-End Fund Balance	1,002,700	557,600
Shared Location and Advertising Agreements Expense Fund (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	15,100	30,000
Year-End Fund Balance	45,100	45,100

SUMMARY OF FUNDS	FY 2005 Actual	FY 2006 Estimate
State Aviation Fund (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	11,024,800	20,050,900
Funds Expended - Operating	1,797,700	2,029,800
Year-End Fund Balance	19,434,400	23,038,500
State Highway Fund (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	414,902,900	634,394,000
Funds Expended - Debt Service	104,724,100	114,482,000
Funds Expended - Operating	344,834,200	364,661,800
Year-End Fund Balance	294,544,600	241,226,800
Transportation Department Equipment Fund (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	34,003,800	35,618,500
Year-End Fund Balance	4,034,700	7,179,900
Underground Storage Tank Revolving Fund (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	3,058,100	3,058,100
Vehicle Inspection and Title Enforcement Fund (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	1,112,700	1,468,600
Year-End Fund Balance	2,551,700	2,801,300