Department of Transportation
Highways

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OSPB: Marcel Benberou

DESCRIPTION	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 JLBC
OPERATING BUDGET			
Full Time Equivalent Positions	2,548.0	2,548.0	2,548.0
Personal Services	64,869,900	65,306,600	65,306,600
Employee Related Expenditures	26,022,200	26,176,800	26,176,800
Professional and Outside Services	2,629,700	2,750,100	2,750,100
Travel - In State	1,196,700	1,860,600	1,860,600
Travel - Out of State	72,300	94,000	94,000
Other Operating Expenditures	34,079,900	37,962,200	37,962,200
Equipment	3,796,900	3,821,600	3,821,600
OPERATING SUBTOTAL	**132,667,600**	**137,971,900**	**137,971,900**
SPECIAL LINE ITEMS			
Highway Maintenance	126,049,300	132,045,300	136,566,300
Vehicles and Heavy Equipment	33,554,100	37,960,400	32,154,700
Vehicles and Heavy Equipment Fuel Surcharge	2,000,000	2,000,000	0
PROGRAM TOTAL	**294,271,000**	**309,977,600**	**306,692,900**
FUND SOURCES			
General Fund	75,700	84,600	84,600
Other Appropriated Funds			
Safety Enforcement and Transportation Infrastructure Fund	558,600	558,700	558,700
State Highway Fund	259,082,600	270,373,900	273,894,900
Transportation Department Equipment Fund	34,554,100	38,960,400	32,154,700
SUBTOTAL - Other Appropriated Funds	294,195,300	309,893,000	306,608,300
SUBTOTAL - Appropriated Funds	**294,271,000**	**309,977,600**	**306,692,900**
Federal Funds	4,013,500	5,282,900	5,282,900
TOTAL - ALL SOURCES	364,033,400	376,510,100	373,225,400

CHANGE IN FUNDING SUMMARY

	FY 2009 to FY 2010 JLBC	
	$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	(3,284,700)	(1.1%)
Total Appropriated Funds	(3,284,700)	(1.1%)
Non-Appropriated Funds	0	0.0%
Total - All Sources	(3,284,700)	(0.9%)

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 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2010 JLBC
• % of Maricopa regional freeway miles completed for the original 20-year ½ cent sales tax ending December 31, 2005	93	96	100	--
• % of Maricopa regional freeway travel lane miles completed for the 20-year ½ cent sales tax extension effective January 1, 2006	NA	NA	0.85	10.5
• % of overall highway construction projects completed on schedule	96	96.5	96.6	97

Comments: The agency did not submit information for any measure labeled as "NA" as required by the General Appropriation Act.

Operating Budget

The JLBC includes $137,971,900 and 1,369 FTE Positions for the operating budget in FY 2010. These amounts consist of:

General Fund	$84,600
State Highway Fund	137,887,300

These amounts are unchanged from FY 2009.

Highway Maintenance

The JLBC includes $136,566,300 and 932 FTE Positions for Highway Maintenance in FY 2010. These amounts consist of:

Safety Enforcement and Transportation Infrastructure Fund	558,700
State Highway Fund	136,007,600

The FY 2010 adjustments would be as follows:

Highway Maintenance Workload OF 3,571,000
This adjustment would increase Highway Maintenance by $3,571,000 from the State Highway Fund in FY 2010 for increased Highway Maintenance workload as additional miles of roadway come on line. The amount includes:

- $1,178,400 for an increase of 255 statewide maintenance lane miles for a total of 28,832 statewide maintenance lane miles in FY 2010.
- $2,392,600 for highway maintenance materials such as concrete, asphalt, and steel. The American Road and Transportation Builders Association reports a 5.7% cost increase for transportation construction materials in calendar year 2007.

In addition to the $136,566,300 included for Highway Maintenance, the Proposition 400 Maricopa County ½-cent sales tax extension makes another $12,500,000 available in FY 2010 for landscape maintenance, trash pick-up, sweeping, and litter education from the non-appropriated Maricopa Regional Area Road Fund.

Fuel Cost Transfer OF 950,000
This adjustment would transfer $950,000 of State Highway Fund monies from the Vehicles and Heavy Equipment Fuel Surcharge special line in the Highways Division to Highway Maintenance in FY 2010. The transfer would result in no net change in ADOT's overall funding level. *(Please see Vehicles and Heavy Equipment Fuel Surcharge special line for further information.)*

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. The monies also fund the freeway management system and the traffic operations center.

Vehicles and Heavy Equipment

The JLBC includes $32,154,700 and 247 FTE Positions from the Transportation Department Equipment Fund for Vehicles and Heavy Equipment in FY 2010. The FY 2010 adjustments would be as follows:

Fuel Cost Transfer OF 1,000,000
This adjustment would transfer $1,000,000 of Transportation Department Equipment Fund monies from the Vehicles and Heavy Equipment Fuel Surcharge special line in the Highways Division to Vehicles and Heavy Equipment in FY 2010. The transfer would result in no net change in ADOT's overall funding level. *(Please see Vehicles and Heavy Equipment Fuel Surcharge special line for further information.)*

Revenue Accounting Change OF (6,805,700)
This adjustment would decrease Vehicle and Heavy Equipment funding by $(6,805,700) from the Transportation Department Equipment Fund in FY 2010 to

bring the funding level in line with an ADOT revenue accounting change. The adjustment removes pass-through fuel accounting from the Transportation Department Equipment Fund and will not adversely affect ADOT's motor pool operations.

Effective July 2007, ADOT changed its fuel accounting system and ADOT's sections began paying for their vehicle fuel costs directly. Previously, the Transportation Department Equipment Fund had bought the fuel and then charged ADOT sections for it. The accounting change removed pass-through fuel accounting from the Transportation Department Equipment Fund; thereby, reducing annual fund revenue by $(6,805,700). The $(6,805,700) adjustment would reduce the approved Transportation Department Equipment Fund funding level of $38,960,400 in FY 2009 to ADOT's estimated Transportation Department Equipment Fund revenue of $32,154,700 in FY 2010.

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.

Vehicles and Heavy Equipment Fuel Surcharge

The JLBC includes no funding for Vehicles and Heavy Equipment Fuel Surcharge in FY 2010. The total of $2,000,000 in FY 2009 included $1,000,000 from the Transportation Department Equipment Fund to pay for increased fuel 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 not to adversely impact the purchase of replacement vehicles and equipment. *(Please see Vehicles and Heavy Equipment special line for further information.)*

The FY 2010 adjustments would be as follows:

Fuel Cost Transfer OF (2,000,000)

This adjustment would transfer $(2,000,000) of monies from the Vehicles and Heavy Equipment Fuel Surcharge special line in the Highways Division as described below in FY 2010. This amount consists of:

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

This adjustment would transfer the $(1,000,000) of Transportation Department Equipment Fund monies to the Vehicles and Heavy Equipment special line in FY 2010. The monies had been used in the past by the Transportation Department Equipment Fund to pay for increased fuel prices, which are now paid directly by ADOT's sections. The transfer would result in no net change in ADOT's overall funding level.

This adjustment would transfer the $(1,000,000) of State Highway Fund monies to the ADOT sections as shown in the following table in FY 2010. The monies had been used in the past for ADOT's sections to reimburse the Transportation Department Equipment Fund in order to hold the Transportation Department Equipment Fund harmless so as not to adversely impact the purchase of replacement vehicles and equipment. However, since July 2007 ADOT's sections have paid for their fuel costs directly. The transfer would result in no net change in ADOT's overall funding level.

State Highway Fund Fuel Cost Transfer	
Administration	$ 20,000
Highway Maintenance	950,000
Motor Vehicle Division	30,000
Total	**$1,000,000**

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FORMAT — Operating Lump Sum with Special Line Items by Program

FOOTNOTES

Standard Footnotes

Of the total amount appropriated for the Highways Program, $136,566,300 in FY 2010 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, 2010.

Of the total amount appropriated for the Highways Program, $2,663,000 in FY 2010 is for performance pay for participants in the department's engineer pay plan. The department shall establish performance measures with measurable quality and quantity objectives for participants in the engineer pay plan that are designed to result in increased productivity and improved quality of the delivery of state services or products. The department shall either apply these performance measures to the entire engineer pay plan or apply relevant performance measures to subsets within the engineer pay plan either on a group or individual basis. Every quarter or month, the department shall review the participants' performance to determine if the performance measures were met. If the performance measures are met or exceeded, the applicable participants are entitled to receive the performance pay for the corresponding quarter.

Of the $465,158,300 appropriation to the Department of Transportation, the Department of Transportation shall pay $16,773,800 in FY 2010 from all funds to the Department of Administration for its Risk Management payment.