

Department of Transportation

	FY 2014 ACTUAL	FY 2015 ESTIMATE	FY 2016 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	4,548.0	4,548.0	4,548.0
Personal Services	96,429,300	96,558,900	96,558,900
Employee Related Expenditures	44,212,500	43,349,900	43,349,900
Professional and Outside Services	4,485,000	4,522,000	4,107,200
Travel - In State	784,600	837,100	837,100
Travel - Out of State	178,400	205,500	205,500
Other Operating Expenditures	47,278,300	54,452,700	54,452,700
Equipment	6,564,200	7,089,300	7,089,300
OPERATING SUBTOTAL	199,932,300	207,015,400	206,600,600
SPECIAL LINE ITEMS			
Attorney General Legal Services	2,895,600	2,895,600	3,310,400
Fraud Investigation	770,400	773,600	773,600
Highway Maintenance	136,300,900	136,202,000	136,202,000
New Third Party Funding	965,800	971,500	971,500
Vehicles and Heavy Equipment	17,112,500	18,507,000	18,507,000
AGENCY TOTAL	357,977,500	366,365,100	366,365,100
FUND SOURCES			
General Fund	4,100	50,400	50,400
<u>Other Appropriated Funds</u>			
Air Quality Fund	34,700	74,500	74,500
Driving Under the Influence Abatement Fund	153,800	153,900	153,900
Highway User Revenue Fund	650,700	651,800	651,800
Motor Vehicle Liability Insurance Enforcement Fund	1,080,100	1,087,100	1,087,100
Safety Enforcement and Transportation Infrastructure Fund	1,878,200	1,881,000	1,881,000
State Aviation Fund	1,606,800	1,624,900	1,624,900
State Highway Fund	333,998,100	340,869,900	340,869,900
Transportation Department Equipment Fund	17,112,500	18,507,000	18,507,000
Vehicle Inspection and Title Enforcement Fund	1,458,500	1,464,600	1,464,600
SUBTOTAL - Other Appropriated Funds	357,973,400	366,314,700	366,314,700
SUBTOTAL - Appropriated Funds	357,977,500	366,365,100	366,365,100
Other Non-Appropriated Funds	34,378,600	169,568,800	169,568,800
Federal Funds	2,979,800	2,000,000	2,000,000
TOTAL - ALL SOURCES	395,335,900	537,933,900	537,933,900

AGENCY DESCRIPTION — The Department of Transportation has jurisdiction over state roads, state airports, and the registration of motor vehicles and aircraft.

Operating Budget

The Baseline includes \$206,600,600 and 3,360 FTE Positions in FY 2016 for the operating budget. These amounts consist of:

	FY 2016
General Fund	\$50,400
Air Quality Fund	74,500
Driving Under the Influence Abatement Fund	153,900

Highway User Revenue Fund	396,700
Motor Vehicle Liability Insurance Enforcement Fund	882,000
Safety Enforcement and Transportation Infrastructure Fund	1,318,500
State Aviation Fund	1,624,900
State Highway Fund	200,715,900
Vehicle Inspection & Title Enforcement Fund	1,383,800

FY 2016 adjustments would be as follows:

Attorney General Realignment OF (414,800)

The Baseline includes a decrease of \$(414,800) from the State Highway Fund in FY 2016 to shift funding from the operating budget to the Attorney General line item, aligning all Attorney General resources into a single line item. There is no net change in agency resources.

Attorney General Legal Services

The Baseline includes \$3,310,400 from the State Highway Fund in FY 2016 for Attorney General Legal Services. FY 2016 adjustments would be as follows:

Attorney General Realignment OF 414,800

The Baseline includes an increase of \$414,800 from the State Highway Fund in FY 2016 to shift funding from the operating budget to the Attorney General line item, aligning all Attorney General resources into a single line item. There is no net change in agency resources.

Monies in this line item reimburse the Attorney General for costs of providing legal services to the department, such as litigating cases, reviewing legal documents and proposed administrative rules, and issuing legal opinions.

Fraud Investigation

The Baseline includes \$773,600 and 10 FTE Positions from the State Highway Fund in FY 2016 for Fraud Investigation. These amounts are unchanged from FY 2015.

Monies in this line item are used for investigation of fraudulent driver's licenses and motor vehicle documents.

Highway Maintenance

The Baseline includes \$136,202,000 and 932 FTE Positions in FY 2016 for Highway Maintenance. These amounts consist of:

Safety Enforcement and Transportation Infrastructure Fund	562,500
State Highway Fund	135,639,500

These amounts are unchanged from FY 2015.

In addition to the \$136,202,000 included for Highway Maintenance, the Proposition 400 Maricopa County half-cent sales tax extension makes another \$12,900,000 available in FY 2016 for landscape maintenance, trash pick-up, sweeping, and litter education from the non-appropriated Maricopa Regional Area Road Fund.

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.

New Third Party Funding

The Baseline includes \$971,500 and 21 FTE Positions in FY 2016 for New Third Party Funding. These amounts consist of:

Highway User Revenue Fund	255,100
Motor Vehicle Liability Insurance Enforcement Fund	205,100
State Highway Fund	430,500
Vehicle Inspection & Title Enforcement Fund	80,800

These amounts are unchanged from FY 2015.

Monies in this line item provide funding to review authorized third party transactions for accuracy. The funding also provides support for authorized third parties, which allow customers to receive Motor Vehicle Division services at non-ADOT locations.

Vehicles and Heavy Equipment

The Baseline includes \$18,507,000 and 225 FTE Positions from the Transportation Department Equipment Fund in FY 2016 for Vehicles and Heavy Equipment. These amounts are unchanged from FY 2015.

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.

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FORMAT — Operating Lump Sum with Special Line Items by Agency

FOOTNOTES

Standard Footnotes

Of the total amount appropriated, \$136,202,000 in FY 2016 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, 2016.

It is the intent of the Legislature that the department not include any administrative overhead expenditures in duplicate driver license fees charged to the public.

Of the total amount appropriated, the Department of Transportation shall pay \$16,773,800 in FY 2016 from all

funds to the Department of Administration for its Risk Management payment.

The Department of Transportation shall submit an annual report to the Joint Legislative Budget Committee on progress in improving Motor Vehicle Division wait times and vehicle registration renewal by mail turnaround times in a format similar to prior years. The report is due on July 31, 2016 for FY 2016.

SUMMARY OF FUNDS	FY 2014 Actual	FY 2015 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. 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	34,700	74,500
Year-End Fund Balance	39,300	39,300
Arizona Highways Magazine Fund (DTA2031/A.R.S. § 28-7315)		Non-Appropriated
Source of Revenue: Sales of subscriptions, maps, pamphlets, and other materials, Arizona Highways special plate donations, 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	4,585,300	4,827,400
Year-End Fund Balance	3,292,100	3,412,000
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	8,000	0
Year-End Fund Balance	455,500	460,800
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 ADOT submits itemized statements detailing their expenditures from the Contract Counsel Fund.		
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 in the Bicycle Safety Fund may be used to match federal or local monies spent for these purposes or for safety programs.		
Appropriated Funds Expended	0	0
Non-Appropriated Funds Expended	0	0
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2014 Actual	FY 2015 Estimate
Driving Under the Influence Abatement Fund (DTA2422/A.R.S. § 28-1304)		Appropriated
Source of Revenue: A fee of \$250 to be paid by every offender convicted of an extreme driving under the influence (DUI) offense. An extreme DUI violation is defined as a person possessing a blood alcohol concentration of 0.15 or greater. Another portion of monies is from civil penalties against an ignition interlock manufacturer or installer who fails to properly report ignition interlock data to the ADOT Director.		
Purpose of Fund: To fund DUI-related programs. The Oversight Council on Driving or Operating Under the Influence Abatement distributes 25% of the revenues to fund pilot programs that use emerging technologies to deter occurrences of driving under the influence, and at least 70% of the monies to fund subdivisions and tribal governments for enforcement purposes and alcohol abuse treatment services. The Arizona Criminal Justice Commission staffs the Council. ADOT and the Department of Public Safety (DPS) receive grant funds from the Council. Not more than 5% of the monies are to be used for administrative purposes.		
Funds Expended	153,800	153,900
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 Arizona Commerce Authority 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 General Fund. <i>(See the ADOT Capital Outlay Budget section for expenditures.)</i>		
Funds Expended	0	0
Year-End Fund Balance	3,533,400	4,565,600
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. Figures exclude expenditures for capital highway construction projects.		
Funds Expended	2,979,800	2,000,000
Year-End Fund Balance	1,027,700	1,027,700
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.		
Funds Expended	0	12,500,000
Year-End Fund Balance	78,226,400	66,929,400
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 and to political subdivisions for highway purposes. Figures exclude expenditures for capital highway construction projects.		
Funds Expended	650,700	651,800
Year-End Fund Balance	100,785,500	101,743,800

SUMMARY OF FUNDS	FY 2014 Actual	FY 2015 Estimate
Arizona International Development Authority Fund (DTA1994/A.R.S. § 41-4505)		Non-Appropriated
Source of Revenue: The fund consists of monies received from the federal government, tolls, fees, gifts, grants, donations from any public or private source, interest earnings, and any other monies received by the Arizona International Development Authority (AIDA).		
Purpose of Fund: To pay costs associated with the administration of the fund and to carry out the requirements of AIDA. Monies in the fund can also be used to provide grants or loans for international transportation and infrastructure projects. ADOT is required to provide staff support to AIDA including general administrative, office, equipment and staff support, using earnings from the fund.		
Funds Expended	0	0
Year-End Fund Balance	0	0
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. Figures exclude expenditures for capital highway construction projects.		
Funds Expended	650,600	0
Year-End Fund Balance	18,714,000	13,714,000
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. Figures exclude expenditures for capital highway construction projects.		
Funds Expended	27,577,700	150,382,000
Year-End Fund Balance	508,493,700	62,229,700
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 applied to all manufacturers, shippers, motor carriers and drivers who transport or cause the transportation of hazardous material; 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.		
Funds Expended	0	0
Year-End Fund Balance	42,400	51,200
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	1,080,100	1,087,100
Year-End Fund Balance	3,909,800	5,842,600
Railroad Corridor Acquisition Fund (DTA2493/Laws 2007, Chapter 267, Section 13)		Non-Appropriated
Source of Revenue: Legislative appropriation.		
Purpose of Fund: To contract studies related to the development of high-speed rail corridors within Arizona. The fund is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.		
Funds Expended	147,200	0
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2014 Actual	FY 2015 Estimate
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	722,100	754,500
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.		
Purpose of Fund: To enforce vehicle safety requirements by DPS and ADOT, and maintain and construct transportation facilities within 25 miles of the Arizona-Mexico border. To improve vehicle congestion at Mexican border ports of entry, and obtain Federal Funds for Safety Enforcement and Transportation Infrastructure Fund (SETIF) purposes. Also to maintain and construct transportation facilities in 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. In addition, ADOT may provide SETIF monies to the Arizona-Mexico Commission, Arizona Department of Homeland Security, and AIDA for certain SETIF-related purposes.		
Funds Expended	1,878,200	1,881,000
Year-End Fund Balance*	125,300	(709,600)
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	15,700	20,000
Year-End Fund Balance	73,800	53,800
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, which includes Indian reservations.		
Funds Expended	1,606,800	1,624,900
Year-End Fund Balance	36,016,100	22,871,800
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. The expended funds only reflect operating expenses. <i>(Please see the Highway User Revenue Fund Distribution chart in the ADOT Capital section for non-operating expenditures.)</i>		
Funds Expended	333,998,100	340,869,900
Year-End Fund Balance	318,769,100	387,188,000
Statewide Employee Recognition Gifts/Donations Fund (DTA2449/A.R.S. § 35-149)		Non-Appropriated
Source of Revenue: Gifts and donations from public and private entities.		
Purpose of Fund: For employee recognition programs that recognize and award the performance, achievement, longevity, or major life event of department employees.		
Funds Expended	16,000	39,400
Year-End Fund Balance	29,400	10,000

SUMMARY OF FUNDS	FY 2014 Actual	FY 2015 Estimate
Statewide Special Plates Fund (DTA2650/A.R.S. § 35-131)		Non-Appropriated
Source of Revenue: A deposit of \$17 of each \$25 original and annual renewal of the special plate fees, and interest earnings. The remaining \$8 is deposited to the State Highway Fund for special plate administration.		
Purpose of Fund: To issue special plates. Up to 10% of annual deposits may be used by ADOT to administer the fund. ADOT is to annually allocate fund monies, excluding administrative fees, through a statutorily designated entity.		
Funds Expended	1,378,100	1,800,000
Year-End Fund Balance	813,800	610,200
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	17,112,500	18,507,000
Year-End Fund Balance	976,200	444,200
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	74,200	109,100
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	1,458,500	1,464,600
Year-End Fund Balance	767,500	836,100

*As reported by the agency. Actual ending balance will not be negative.