

Department of Transportation

	FY 2015 ACTUAL	FY 2016 ESTIMATE	FY 2017 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	4,548.0	4,548.0	4,552.0
Personal Services	99,780,600	106,835,400	106,976,500
Employee Related Expenditures	45,780,000	47,928,900	48,005,200
Professional and Outside Services	6,030,700	5,781,000	5,782,600
Travel - In State	644,800	643,000	649,100
Travel - Out of State	176,600	177,000	177,000
Other Operating Expenditures	45,666,600	40,632,900	40,639,900
Equipment	4,679,200	3,694,000	3,695,400
OPERATING SUBTOTAL	202,758,500	205,692,200	205,925,700
SPECIAL LINE ITEMS			
Attorney General Legal Services	2,895,600	2,895,600	2,895,600
Fraud Investigation	766,600	767,000	767,000
Highway Maintenance	135,915,000	138,882,700	138,882,700
New Third-Party Funding	570,600	631,800	631,800
Vehicles and Heavy Equipment	18,507,000	18,545,500	18,545,500
AGENCY TOTAL	361,413,300	367,414,800	367,648,300
FUND SOURCES			
General Fund	900	50,400	50,400
<u>Other Appropriated Funds</u>			
Air Quality Fund	67,900	74,200	74,200
Driving Under the Influence Abatement Fund	88,500	153,200	153,200
Highway User Revenue Fund	528,900	652,700	652,700
Motor Vehicle Liability Insurance Enforcement Fund	1,690,700	1,082,600	1,316,100
Safety Enforcement and Transportation Infrastructure Fund	1,878,700	1,875,500	1,875,500
State Aviation Fund	1,623,500	1,622,900	1,622,900
State Highway Fund	335,576,400	341,899,700	341,899,700
Transportation Department Equipment Fund	18,507,000	18,545,500	18,545,500
Vehicle Inspection and Title Enforcement Fund	1,450,800	1,458,100	1,458,100
SUBTOTAL - Other Appropriated Funds	361,412,400	367,364,400	367,597,900
SUBTOTAL - Appropriated Funds	361,413,300	367,414,800	367,648,300
Other Non-Appropriated Funds	52,736,100	107,448,800	107,448,800
Federal Funds	1,827,800	1,441,000	1,441,000
TOTAL - ALL SOURCES	415,977,200	476,304,600	476,538,100

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

Operating Budget	Driving Under the Influence Abatement Fund	153,200
The Baseline includes \$205,925,700 and 3,390 FTE Positions in FY 2017 for the operating budget. These amounts consist of:	Highway User Revenue Fund	454,000
	Motor Vehicle Liability Insurance Enforcement Fund	1,216,600
	Safety Enforcement and Transportation Infrastructure Fund	1,315,500
	State Aviation Fund	1,622,900
	State Highway Fund	199,667,900
	Vehicle Inspection & Title Enforcement Fund	1,371,000
FY 2017		
General Fund	\$50,400	
Air Quality Fund	74,200	

FY 2017 adjustments would be as follows:

Vehicle for Hire Program OF 233,500

The Baseline includes an increase of \$233,500 and 4 FTE Positions from the Motor Vehicle Liability Insurance Fund in FY 2017 to transfer the regulation of taxis, limousines and livery vehicles from the defunct Department of Weights and Measures to ADOT, pursuant to Laws 2015, Chapter 244. *(Please see the Other Issues section for more information on the Weights and Measures Division.)*

Attorney General Legal Services

The Baseline includes \$2,895,600 from the State Highway Fund in FY 2017 for Attorney General Legal Services. This amount is unchanged from FY 2016.

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 \$767,000 and 10 FTE Positions from the State Highway Fund in FY 2017 for Fraud Investigation. These amounts are unchanged from FY 2016.

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

Highway Maintenance

The Baseline includes \$138,882,700 and 932 FTE Positions in FY 2017 for Highway Maintenance. These amounts consist of:

Safety Enforcement and Transportation Infrastructure Fund	560,000
State Highway Fund	138,322,700

These amounts are unchanged from FY 2016.

In addition to the \$138,882,700 included for Highway Maintenance, the Proposition 400 Maricopa County half-cent sales tax extension makes another \$13,100,000 available in FY 2017 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 \$631,800 and 20 FTE Positions in FY 2017 for New Third-Party Funding. These amounts consist of:

Highway User Revenue Fund	198,700
Motor Vehicle Liability Insurance Enforcement Fund	99,500
State Highway Fund	246,500
Vehicle Inspection & Title Enforcement Fund	87,100

These amounts are unchanged from FY 2016.

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 \$18,545,500 and 200 FTE Positions from the Transportation Department Equipment Fund in FY 2017 for Vehicles and Heavy Equipment. These amounts are unchanged from FY 2016.

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, \$138,882,700 in FY 2017 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 established by A.R.S. § 28-6991, or the Safety Enforcement and Transportation Infrastructure Fund established by A.R.S. § 28-6547, on August 31, 2017.

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 2017 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 or before July 31, 2017 for FY 2017.

New Footnotes

The Department of Transportation shall contract with an independent third-party consultant for the duration of the Motor Vehicle Division legacy system replacement project. Within 30 days after the last day of each calendar quarter, the independent third-party consultant shall submit a quarterly progress report to Director of the Joint Legislative Budget Committee throughout the life of the project. The quarterly report shall evaluate and assess the project's success in meeting and incorporating the tenets of the project investment justification, including but not limited to goals and objectives, technology approach, deliverables and outcomes, project scope and timeline. The report shall also address any potential project deficiencies as well as the incorporation of the Auditor General's April 2015 recommendations.

On or before July 31, 2017, the department shall report to the Director of the Joint Legislative Budget Committee on the cost to link local governments, state agencies, and other users with the new Motor Vehicle Division automated system.

Annually, on or before August 1, the department shall report to the Director of the Joint Legislative Budget Committee on the amount of savings generated from the renegotiation of the Service Arizona contract in the prior fiscal year.

Using cost savings generated from the renegotiation of the Service Arizona contract, ADOT has begun a multi-year \$56.0 million project to modernize the Motor Vehicle Division legacy system. These footnotes would require the use of an independent third-party consultant, consistent with current state law requiring third-party review of any automation project exceeding \$5,000,000. Because the legacy system replacement project began prior to the enactment of the third-party review requirement, these footnotes are necessary. For accountability purposes, the footnotes would also require ADOT to report on the indirect costs of the new system on non-ADOT entities and the savings generated from the renegotiation of the Service Arizona contract.

All expenditures made by the Department of Transportation for Attorney General legal services shall be funded only from the Attorney General Legal Services line item. Monies in Department of Transportation line items intended for this purpose shall be transferred to the Attorney General Legal Services line item prior to expenditure. *(ADOT has been using monies from the operating budget to supplement its Attorney General Legal Services funding. This footnote would consolidate all Attorney General expenditures into the proper line item.)*

STATUTORY CHANGES

Potential Statutory Changes

The JLBC Staff recommends that the Legislature consider, as permanent law, a provision amending A.R.S. § 28-5101G to require the deposit of any savings generated from the renegotiation of the Service Arizona contract into the State Highway Fund.

Other Issues

Division of Weights and Measures

Laws 2015, Chapter 244 establishes the Weights and Measures Services Division within the Arizona Department of Agriculture as of July 1, 2016. All authority, powers, duties and responsibilities previously granted to the Department of Weights and Measures are transferred to the new Division within the Arizona Department of Agriculture, with the exception of responsibilities relating to taxis, limousines and livery vehicles, which are transferred to ADOT.

The Director of the Arizona Department of Administration will submit a succession plan to the Joint Legislative Budget Committee for review by March 1, 2016. *(Please see the Department of Weights and Measures and the Arizona Department of Agriculture for more information.)*

As of October 2015, the Department of Weights and Measures has completed the agency consolidation process through a series Interagency Service Agreements with the Arizona Department of Agriculture, the Arizona Department of Public Safety, and ADOT. The Director of the Arizona Department of Agriculture will serve as the Interim Director for the Weights and Measures Services Division until the formal dissolution of the Department of Weights and Measures occurs on July 1, 2016.

REAL ID Extension

Laws 2015, Chapter 294 requires ADOT to comply with federal driver license standards in the REAL ID Act of 2005. Absent this legislative action, Arizona driver licenses would have no longer been accepted at federally regulated facilities, such as airports and federal buildings. By issuing Arizonans a voluntary travel ID that will be available as both a driver license and identification card, the new federal documentation requirements will be met. To facilitate Arizona's compliance with federal law while ADOT develops the new travel IDs, the U.S. Department of Homeland Security (DHS) granted Arizona an extension and will accept existing Arizona driver licenses until October 10, 2016. Once DHS determines that Arizona's new travel ID meets federal standards, the extension will be lengthened to September 30, 2020.

Special Plates

In order to establish a special plate, a statutorily designated entity must pay a \$32,000 implementation fee. Of the \$25 annual fee for the special plate, \$8 is deposited in the State Highway Fund and \$17 is a donation to the specified charity. In FY 2015, the special plate program generated \$5,100,000 for the State Highway Fund and \$10,750,000 for charities.

As shown in *Table 1*, there are 50 special plate types with 373,760 vehicles supporting special plate charities. Revenue for many of the special plates is combined in ADOT's Statewide Special Plates Fund. Financial information for the rest of the special plates not included in ADOT's Statewide Special Plates Fund is found in individual agencies. When a state agency oversees a special plate fund, it appears in that agency's budget. If not, it appears in ADOT's Statewide Special Plate Fund. Of the special plates listed, only the Don't Tread on Me plate has yet to be implemented.

Table 1

Special License Plates ^{1/2/3/}

<u>Name</u>	<u>Included in Statewide Special Plates Fund?</u>	<u>Number of Plates Issued in 2015</u>
Veteran	-	65,910
AZ Professional Football Club	Yes	59,738
Military Support/Scholarship	Yes	33,005
AZ Highways	-	23,647
Collegiate - University of Arizona	-	22,757
Collegiate - AZ State University	-	17,160
Child Abuse Prevention	-	16,611
Spaying and Neutering of Animals	-	13,934
Families of Fallen Police Officers	-	12,685
Breast & Cervical Cancer	-	12,120
Golden Rule	-	11,294
AZ Centennial	Yes	10,003
In God We Trust	-	9,015
AZ Professional Baseball Club	Yes	8,923
Environmental	-	8,737
AZ Sportsmen for Wildlife	-	7,778
Agricultural Youth Organization	Yes	6,819
Transplantation Awareness	Yes	5,253
Fire Fighter	-	4,339
AZ Professional Basketball Club	Yes	4,231
Collegiate - NAU	-	2,643
Navajo Nation	-	2,179
Character Education	-	1,845
Choose Life	-	1,374
Keep AZ Beautiful (anti-litter)	Yes	1,369
Women Veteran	-	1,320
Extraordinary Educators	Yes	1,301
Childhood Cancer Research	Yes	1,117
Fraternal Order of Police	-	888
Hunger Relief	Yes	874
AZ Motorsports Commemorative	Yes	802
AZ Masonic Fraternity	Yes	664
White Mountain Apache Tribe	-	523
San Carlos Apache	-	494
Global Graduate Management	Yes	474
Gold Star Family	-	375
Farm Vehicle	-	364
AZ Public Broadcast Television	Yes	330
Youth Development Organization	Yes	312
AZ Historical Society	-	147
Girls' Youth Organization	Yes	142
University of Phoenix	-	133
National Guard	-	127
Legion of Valor	-	4
Collegiate - Community College	Yes	0
AZ Professional Golf	Yes	0
AZ Professional Hockey Club	Yes	0
Health Sciences Educational	Yes	0
Volunteer Firefighters	Yes	0
Don't Tread on Me	-	0
Total		373,760

^{1/} Excludes 174,065 motorcycle safety special plates and 84,506 off-highway vehicle decals.

^{2/} Other special plates excluded: Amateur Radio Operator, Personalized Street Rod, Former Prisoner of War, Purple Heart Medal Recipient, Disability, Hearing Impaired, Classic Car, Congressional Medal of Honor, Energy Efficient (alternative fuel), Historic Vehicle, Honorary Foreign Consul, Horseless Carriage, Midwestern University, Pearl Harbor Survivor, and U.S. Marine Corps.

^{3/} The Emergency Medical Services and Multiple Sclerosis Awareness special plates did not raise sufficient funds to implement the plates.

SUMMARY OF FUNDS	FY 2015 Actual	FY 2016 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	67,900	74,200
Year-End Fund Balance	45,900	46,200
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	4,751,200	4,637,500
Year-End Fund Balance	3,394,600	3,743,100
Bicycle Safety Fund (DTA3080/A.R.S. § 28-818)		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: 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.		
Funds Expended	0	0
Year-End Fund Balance	0	0
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	12,900	13,000
Year-End Fund Balance	459,700	463,200
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

SUMMARY OF FUNDS	FY 2015 Actual	FY 2016 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	88,500	153,200
Year-End Fund Balance	65,400	67,400
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	4,556,400	1,020,100
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	1,827,800	1,441,000
Year-End Fund Balance	1,027,700	1,147,700
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	21,400	58,000,000
Year-End Fund Balance	78,748,800	1,224,800
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	528,900	652,700
Year-End Fund Balance	692,346,200	722,863,600

SUMMARY OF FUNDS	FY 2015 Actual	FY 2016 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	1,158,600	207,000
Year-End Fund Balance	121,592,100	106,000,000
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	45,112,000	42,927,500
Year-End Fund Balance	456,239,500	107,088,500
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	45,700	49,400
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	1,690,700	1,082,600
Year-End Fund Balance	1,071,900	892,800

SUMMARY OF FUNDS	FY 2015 Actual	FY 2016 Estimate
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	0	0
Year-End Fund Balance	0	0
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	0	0
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	1,878,700	1,875,500
Year-End Fund Balance*	(18,800)	(217,200)
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	34,500	39,300
Year-End Fund Balance	39,300	0
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	1,623,500	1,622,900
Year-End Fund Balance	27,175,700	3,078,300

SUMMARY OF FUNDS	FY 2015 Actual	FY 2016 Estimate
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	335,576,400	341,899,700
Year-End Fund Balance	473,493,700	272,234,900
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	22,300	22,500
Year-End Fund Balance	22,300	22,500
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	1,623,200	1,602,000
Year-End Fund Balance	1,601,800	1,602,000
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	18,507,000	18,545,500
Year-End Fund Balance	598,600	388,500
Underground Storage Tank Revolving Fund (DTA3728/A.R.S. § 28-6007)		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. 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	0
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	1,450,800	1,458,100
Year-End Fund Balance	909,000	1,146,000

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