

Department of Environmental Quality

	FY 2016 ACTUAL	FY 2017 ESTIMATE	FY 2018 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	322.0	322.0	322.0
Personal Services	12,822,000	16,495,700	16,495,700
Employee Related Expenditures	4,884,700	7,250,200	7,250,200
Professional and Outside Services	2,601,300	6,424,900	6,424,900
Travel - In State	321,700	431,800	431,800
Travel - Out of State	15,400	111,500	111,500
Other Operating Expenditures	11,969,300	15,143,600	15,143,600
Equipment	217,300	432,700	432,700
OPERATING SUBTOTAL	32,831,700	46,290,400	46,290,400
SPECIAL LINE ITEMS			
Emissions Control Contractor Payment	20,160,900	21,119,500	21,119,500
Safe Drinking Water Program	1,579,700	1,800,000	1,800,000
WQARF Priority Site Remediation	7,000,000	9,948,600	7,000,000
AGENCY TOTAL	61,572,300	79,158,500	76,209,900
FUND SOURCES			
General Fund	7,000,000	2,823,600	2,823,600
<u>Other Appropriated Funds</u>			
Air Quality Fund	3,298,300	8,236,400	7,046,600
Emergency Response Fund	43,100	132,800	132,800
Emissions Inspection Fund	25,154,600	32,620,500	30,861,700
Hazardous Waste Management Fund	1,110,000	1,734,600	1,734,600
Indirect Cost Recovery Fund	11,467,800	13,375,200	13,375,200
Permit Administration Fund	5,506,800	7,114,100	7,114,100
Recycling Fund	945,200	1,352,900	1,352,900
Solid Waste Fee Fund	732,200	1,239,000	1,239,000
Underground Storage Tank Revolving Fund	0	22,000	22,000
Water Quality Fee Fund	6,314,300	10,507,400	10,507,400
SUBTOTAL - Other Appropriated Funds	54,572,300	76,334,900	73,386,300
SUBTOTAL - Appropriated Funds	61,572,300	79,158,500	76,209,900
Other Non-Appropriated Funds	33,121,200	86,132,800	56,132,800
Federal Funds	7,616,700	18,120,300	18,120,300
TOTAL - ALL SOURCES	102,310,200	183,411,600	150,463,000

AGENCY DESCRIPTION — The Department of Environmental Quality (ADEQ) enforces air, water, and land quality standards. The department's Office of Air Quality issues permits to regulate industrial air pollution sources, regulates vehicle emissions, monitors and assesses the ambient air, and develops air quality improvement strategies. The Office of Waste Programs implements programs to minimize waste generation, identifies and corrects improper waste management practices, and oversees the clean up (remediation) of hazardous waste sites. The Office of Water Quality regulates drinking water and waste water systems, monitors and assesses waters of the state, and provides hydrologic analysis to support hazardous site remediation.

Operating Budget

The Baseline includes \$46,290,400 and 322 FTE Positions in FY 2018 for the operating budget. These amounts consist of:

	FY 2018
Air Quality Fund	\$5,361,400
Emergency Response Commission	132,800
Emissions Inspection Fund	5,451,000
Hazardous Waste Management Fund	1,734,600
Indirect Cost Recovery Fund	13,375,200

Permit Administration Fund	7,114,100
Recycling Fund	1,352,900
Solid Waste Fee Fund	1,239,000
Underground Storage Tank Revolving Fund	22,000
Water Quality Fee Fund	10,507,400

These amounts are unchanged from FY 2017.

Emissions Control Contractor Payment

The Baseline includes \$21,119,500 from the Emissions Inspection Fund in FY 2018 for the Emissions Control Contractor Payment. This amount is unchanged from FY 2017.

Monies appropriated to this line item are used to pay the Emissions Control Program contractor. Under the contract, the contractor remits the entire amount of the fee to ADEQ for deposit in the Emissions Inspection Fund. ADEQ then determines the amount due to the contractor, based on the number of vehicles inspected, and makes payments to the contractor on a regular basis.

The Emissions Control Program is operated by an independent contractor in the Phoenix Metropolitan Area and the Tucson Metropolitan Area with the purpose of identifying and repairing polluting motor vehicles. The program is funded through test fees that are charged to motorists at the time of inspection. Statute does not specify a fee level. The Director of ADEQ has the statutory authority to specify the fees required to pay for the full cost of the Vehicle Emissions Inspection Program. The FY 2017 Environment Budget Reconciliation Bill (BRB) reduced emissions inspection fees by \$3.00 in Area A, which refers to the Phoenix Metropolitan Area and includes Maricopa County as well as portions of Pinal and Yavapai Counties. *(Please see Other Issues for more information.)*

Safe Drinking Water Program

The Baseline includes \$1,800,000 from the Emissions Inspection Fund in FY 2018 for the Safe Drinking Water Program. This amount is unchanged from FY 2017.

The FY 2017 Environment BRB continued to allow the department to use up to \$1,800,000 from the Emissions Inspection Fund for the Safe Drinking Water Program. Before any monies in the line item were expended in FY 2017, the department was required to submit an expenditure plan to the Joint Legislative Budget Committee (JLBC) for its review. The JLBC favorably reviewed the FY 2017 Safe Drinking Water Expenditure Plan at its September 2016 meeting. ADEQ's expenditures for the Safe Drinking Water Program appear in *Table 1*.

Position or Function	Actual FY 2016	Estimated FY 2017
Direct Personnel	\$1,016,500	\$1,114,400
Indirect Cost Fund	454,800	498,600
Contracting	60,700	90,600
Travel	18,700	29,500
Other	29,000	66,900
Total	\$1,579,700	\$1,800,000

WQARF Priority Site Remediation

The Baseline includes \$7,000,000 in FY 2018 for Water Quality Assurance Revolving Fund (WQARF) Priority Site Remediation. This amount consists of:

General Fund	2,823,600
Emissions Inspection Fund	2,491,200
Air Quality Fund	1,685,200

FY 2018 adjustments would be as follows:

Remove One-Time Funding OF (2,948,600)

The Baseline includes a decrease of \$(2,948,600) in FY 2018 to remove one-time funding for WQARF Priority Site Remediation. This amount consists of:

Emissions Inspection Fund	(1,758,800)
Air Quality Fund	(1,189,800)

The FY 2017 budget included \$2,948,600 in one-time funding of Other Appropriated Funds for WQARF Priority Site Remediation. The removal of this one-time funding is being applied proportionally to the Emissions Inspection Fund and the Air Quality Fund.

WQARF is funded in part from an annual \$15,000,000 transfer from the Corporate Income Tax (CIT), as stipulated in A.R.S. § 49-282. Funding for this program, therefore, does not appear in the General Appropriation Act. In addition, WQARF generates other revenue from various license and registration fees. A.R.S. § 49-282 directs the State Treasurer to adjust the \$15,000,000 CIT transfer so that, when combined with the WQARF fee-generated revenue, the program receives \$18,000,000 annually.

The FY 2017 Environment BRB continued to notwithstanding these statutory provisions. *Table 2* describes program activity for FY 2016 and FY 2017. In FY 2016, the General Fund allocation was reduced from the statutory amount to \$7,000,000. In FY 2017, the General Fund allocation is further reduced to \$2,823,600, but balances of \$2,875,000 from the Air Quality Fund and \$4,250,000

from the Emissions Inspection Fund are being utilized to increase total WQARF funding to \$9,948,600.

WQARF Activity		
	Actual FY 2016	Estimated FY 2017
Balance Forward	\$ 3,435,900	\$ 2,766,400
General Fund	7,000,000	2,823,600
Other Revenue	<u>6,102,200</u>	<u>10,363,000</u>
Total Funds Available	\$16,538,100	\$15,953,000
General Fund Expenditures	\$ 7,000,000	\$ 2,823,600
Other Funds Expended	6,641,700	11,997,900
Transfers Out	<u>130,000</u>	<u>440,000</u>
Year-End Fund Balance	\$ 2,766,400	\$ 691,500

The WQARF program is similar to the federal Superfund program in that it is designed to monitor and remediate contaminated groundwater at specified sites. Program expenditures include searching for responsible polluters, conducting risk assessments and remediation feasibility studies, and contracting for remediation services.

* * *

FORMAT — Operating Lump Sum with Special Line Items by Agency

FOOTNOTES

Standard Footnotes

Before the expenditure of any monies from the Safe Drinking Water Program line item, the Department of Environmental Quality shall submit an expenditure plan for review by the Joint Legislative Budget Committee.

The Department of Environmental Quality shall report annually on the progress of WQARF activities, including emergency response, priority site remediation, cost recovery activity, revenue and expenditure activity and other WQARF-funded program activity. The department shall submit the FY 2018 report to the Joint Legislative Budget Committee on or before September 1, 2017. This report shall also include a budget for the WQARF program that is developed in consultation with the WQARF Advisory Board. This budget shall specify the monies budgeted for each listed site during FY 2018. In addition, the department and the advisory board shall prepare and submit to the Joint Legislative Budget Committee, on or before October 1, 2017, a report in a table format summarizing the current progress on remediation of each listed site on the WQARF registry. The table shall include the stage of remediation for each site at the end of FY 2017, indicate whether the current stage of remediation is anticipated to be completed in FY 2018 and indicate the

anticipated stage of remediation at each listed site at the end of FY 2018, assuming FY 2018 funding levels. The department and advisory board may include other relevant information about the listed sites in the table.

Pursuant to A.R.S. § 49-282, the Department of Environmental Quality shall submit a FY 2019 budget for the Water Quality Assurance Revolving Fund before September 1, 2017, for review by the Senate and House of Representatives Appropriations Committees.

All Permit Administration monies received by the Department of Environmental Quality in excess of \$7,114,100 in FY 2018 are appropriated to the department. Before the expenditure of Permit Administration monies in excess of \$7,114,100 in FY 2018, the Department of Environmental Quality shall report the intended use of the monies to the Joint Legislative Budget Committee.

All Indirect Cost Recovery Fund monies received by the Department of Environmental Quality in excess of \$13,375,200 in FY 2018 are appropriated to the department. Before the expenditure of Indirect Cost Recovery Fund monies in excess of \$13,375,200 in FY 2018, the Department of Environmental Quality shall report the intended use of the monies to the Joint Legislative Budget Committee.

STATUTORY CHANGES

The Baseline would:

- As session law, continue to allow the department to utilize up to \$6,531,000 from the Underground Storage Tank Revolving (UST) Fund in FY 2018 for department administrative expenses.
- As session law, continue to suspend the requirement to appropriate \$15,000,000 from the state General Fund to the Water Quality Assurance Revolving Fund. In FY 2018, reduce the General Fund appropriation to \$2,823,600 and appropriate \$2,491,200 from the Vehicle Emissions Inspection Fund and \$1,685,200 from the Air Quality Fund for a total of \$7,000,000.
- As session law, continue to allow \$1,800,000 of the department’s Emissions Inspection Fund monies spent on the Safe Drinking Water Program.
- As session law, continue the FY 2017 provision that reduces emissions inspection fees by \$3 in Area A, which includes Maricopa County and portions of Pinal and Yavapai Counties.

Other Issues

Vehicle Emissions Inspection Fees

As shown in *Table 3*, ADEQ estimated the VEI Program generated more in fees than administration of the program in FY 2016.

Emissions Inspection Fund			
	Actual	Estimated	Estimated
Revenues	FY 2016	FY 2017	FY 2018
Balance Forward	\$17,318,000	\$16,262,000	\$9,755,500
Fees	<u>29,730,200</u>	<u>26,764,000</u>	<u>26,764,000</u>
Total Revenues	\$47,048,200	\$43,026,000	\$36,519,500
Expenditures			
Inspections ^{1/}	24,206,500	27,220,500	26,570,500
SDWP	1,579,700	1,800,000	1,800,000
APF	5,000,000	0	0
WQARF	<u>0</u>	<u>4,250,000</u>	<u>2,491,200</u>
Total Expenditures	\$30,786,200	\$33,270,500	\$30,861,700
Total Balance	\$16,262,000	\$ 9,755,500	\$5,657,800

^{1/} Includes \$5.5 million for ADEQ costs in the operating budget in FY 2018.

In recent years, the resulting balances have been utilized for other programs. Between FY 2014 and FY 2016, \$16.8 million in excess revenues were transferred to the Arizona Department of Administration (ADOA) to fund a new ADEQ e-licensing system through the Automation Projects Fund (APF). The FY 2017 budget did not include transfers for this purpose. In FY 2017, ADEQ is using carry-over balances in the APF for the e-licensing project. *(Please see the ADOA - Automation Projects Fund section for more information.)* The appropriations from the Emissions Inspection Fund for the Safe Drinking Water Program (SDWP) were \$1.8 million in FY 2017. In FY 2017, DEQ is utilizing \$4.3 million from the Emissions Inspection Fund for WQARF.

Fees charged in the Phoenix area are often higher than comparable fees in the Tucson area:

- Prior to FY 2017 vehicle owners in the Phoenix area paid \$20.00 for the onboard diagnostic test, while those in the Tucson area pay \$12.25 for the same test. Regardless of location, ADEQ pays its contractor \$13.85 for each diagnostic test. As a result, ADEQ ran a \$6.15 surplus in the Phoenix area and a \$(1.60) deficit in the Tucson area per test.

- Owners of heavy-duty diesel trucks in the Phoenix area paid \$28.00 for each test, while those in the Tucson area pay \$12.25 for each test. Regardless of location, ADEQ pays its contractor \$23.50 for each heavy-duty diesel test. As a result, ADEQ ran a \$4.50 surplus in the Phoenix area and an \$(11.25) deficit in the Tucson area per test.

The FY 2017 Environment BRB reduced emissions inspection fees by \$3.00 in Area A, which refers to the Phoenix Metropolitan Area and includes Maricopa County as well as portions of Pinal and Yavapai Counties. This does not affect Area B, which refers to the Tucson Metropolitan Area. Area A's onboard diagnostic test fee is reduced from \$20.00 to \$17.00, its steady state and idle test fee is reduced from \$19.00 to \$16.00, and its heavy-duty diesel test fee is reduced from \$28.00 to \$25.00.

This change is estimated to reduce fees on over 1.2 million tests conducted annually and reduce Emissions Inspection Fund revenues by approximately \$3.7 million annually. *Table 3* shows the estimated revenues and expenditures of the Emissions Inspection Fund after fee reductions and the additional utilization of the fund for WQARF Priority Site Remediation.

In FY 2018, JLBC Staff assumes ongoing funding of \$1.8 million from the Emissions Inspection Fund for SDWP and \$2.5 million of funding from the Emissions Inspection Fund for WQARF.

SUMMARY OF FUNDS	FY 2016 Actual	FY 2017 Estimate
Air Quality Fund (EVA2226/A.R.S. § 49-551)		Appropriated
Source of Revenue: Monies received from the \$1.50 fee assessed on motor vehicle registration, as well as gifts, grants, donations, and legislative appropriations.		
Purpose of Fund: To pay the costs of air quality research, experiments, education, and programs conducted by or for the department. Also to provide an annual \$400,000 transfer to the Department of Administration for state employee travel reduction program and annual appropriations for the Department of Weights and Measures Oxygenated Fuels and Vapor Recovery programs. <i>(See individual agencies for further description.)</i>		
Funds Expended	3,298,300	8,236,400
Funds Appropriated		
Department of Weights and Measures	1,439,800	1,434,400
Arizona Department of Transportation	74,200	161,700
Arizona Department of Administration (Bus Subsidy)	927,300	927,300
Funds Transferred		
Arizona Department of Administration (Travel Reduction)	400,000	400,000
Year-End Fund Balance	8,433,500	6,460,900
Donations Fund (EVA2449/A.R.S. § 49-104)		Non-Appropriated
Source of Revenue: Various donations, settlements, and consent decrees.		
Purpose of Fund: To administer the intent of the donation, settlement or decree.		
Funds Expended	4,100	4,400
Year-End Fund Balance	4,700	4,700
Emergency Response Fund (EVA3031/A.R.S. § 49-132)		Appropriated
Source of Revenue: The fund receives 10% of the department's Hazardous Waste Management Fund's revenues. Laws 2015, Chapter 208 shifted the administration of the fund in FY 2016 from DEMA to ADEQ.		
Purpose of Fund: To develop and administer a hazardous materials emergency management program, equip local emergency planning committees for the development of hazardous materials emergency response teams, and assist local agencies in providing adequate response to emergency situations. The fund is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.		
Funds Expended	43,100	132,800
Year-End Fund Balance	521,600	635,600
Emissions Inspection Fund (EVA2082/A.R.S. § 49-544)		Appropriated
Source of Revenue: Legislative appropriations, test fees, fleet certificate fees, private grants, donations, and federal grants.		
Purpose of Fund: To pay for enforcement of fleet inspections, exemptions, and certificates of waiver programs; to pay Emissions Inspection program contract and administrative charges, including station auditing, contractor training and certification, and motorist assistance; to pay for the state portion of catalytic converter program costs; and to pay for research studies of the feasibility and effectiveness of new emission control technologies. As session law, the FY 2016 Environmental Budget Reconciliation Bill (Laws 2015, Chapter 13) allows \$1,800,000 of these monies to be spent on the Safe Drinking Water Program in FY 2016. The FY 2016 General Appropriation Act transfers \$5,000,000 from the Emissions Inspection Fund to the Automation Projects Fund to be used for DEQ information technology projects.		
Funds Expended	25,154,600	32,620,500
Year-End Fund Balance	16,262,000	9,712,700
Federal Funds (EVA2000/A.R.S. § 49-104)		Non-Appropriated
Source of Revenue: Federal grants related to water quality management, Underground Storage Tank enforcement provisions, air pollution control, research projects, and other programs.		
Purpose of Fund: To be used as specified by federal law.		
Funds Expended	7,616,700	18,120,300
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2016 Actual	FY 2017 Estimate
Hazardous Waste Management Fund (EVA2178/A.R.S. § 49-927)		Appropriated
Source of Revenue: Legislative appropriations, hazardous waste treatment, storage, and disposal permit fees, and hazardous waste generation and transportation fees.		
Purpose of Fund: To pay educational, permitting, planning, and enforcement costs of the Hazardous Waste Program, and to provide administration and state matching funds for federal source reduction grants. A portion of the fund is transmitted to the Emergency Response Fund for staffing and equipping local emergency management agencies. The fund is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.		
Funds Expended	1,110,000	1,734,600
Year-End Fund Balance	2,629,700	2,383,600
IGA & ISA Fund (EVA2500/A.R.S. § 49-104)		Non-Appropriated
Source of Revenue: Grants and intergovernmental agreements between state agencies and local governments.		
Purpose of Fund: To be used as specified in the grant or agreement.		
Funds Expended	5,052,800	7,341,600
Year-End Fund Balance	0	0
Indirect Cost Recovery Fund (EVA9000/A.R.S. § 49-115)		Appropriated
Source of Revenue: Monies are generated from assessments to the department's appropriated and non-appropriated funds, including federal grants. At the end of FY 2015, the department switched from using the Indirect Cost Fund (Fund 7000) to the Indirect Cost Recovery Fund (Fund 9000). At the beginning of FY 2016, the remaining fund balance in Fund 7000 was transferred to Fund 9000.		
Purpose of Fund: To pay departmentwide administrative personnel and overhead costs that are not directly allocated to the budget of the contributing programs.		
Funds Expended	11,467,800	13,375,200
Year-End Fund Balance	2,788,600	1,904,100
Institutional & Engineering Control Fund (EVA2563/A.R.S. § 49-159)		Non-Appropriated
Source of Revenue: Application fees for department's assessment and verification of restricted, non-residential use of contaminated land, recovered costs for repair of engineering and institutional controls, grants, donations, and legislative appropriations.		
Purpose of Fund: To pay the department's cost of enforcing the use of engineering and institutional controls in environmental remediations on contaminated properties.		
Funds Expended	12,700	24,300
Year-End Fund Balance	81,800	77,900
Intergovernmental Agreement Fund (EVA2180/A.R.S. § 49-104)		Non-Appropriated
Source of Revenue: Grants and intergovernmental agreements from various entities, including the Game and Fish Department and the Water Protection Commission.		
Purpose of Fund: To be used as specified in the grant or agreement.		
Funds Expended	0	0
Year-End Fund Balance	5,000	5,000
Monitoring Assistance Fund (EVA2308/A.R.S. § 49-360)		Non-Appropriated
Source of Revenue: Fees from public water systems that participate in the Monitoring Assistance program.		
Purpose of Fund: To assist public water systems in complying with monitoring requirements under the federal Safe Drinking Water Act.		
Funds Expended	591,500	845,500
Year-End Fund Balance	982,800	746,600
Permit Administration Fund (EVA2328/A.R.S. § 49-455)		Appropriated
Source of Revenue: Permit fees and interest.		
Purpose of Fund: To develop and administer permit programs and to conduct inspections.		
Funds Expended	5,506,800	7,114,100
Year-End Fund Balance	8,814,600	7,233,100

SUMMARY OF FUNDS	FY 2016 Actual	FY 2017 Estimate
Recycling Fund (EVA2289/A.R.S. § 49-837)		Appropriated
Source of Revenue: Landfill disposal (tipping) fees and legislative appropriations.		
Purpose of Fund: For grants to local governments and others developing recycling markets and programs; for public information and assistance on source reduction and recycling; and for revenue collection and fund administration.		
Funds Expended	945,200	1,352,900
Year-End Fund Balance	2,225,100	3,090,000
Solid Waste Fee Fund (EVA3110/A.R.S. § 49-881)		Appropriated
Source of Revenue: Fees, donations, and legislative appropriations.		
Purpose of Fund: To pay solid waste program costs, including waste tire removal expenses, special waste facility staff education, special waste management compliance monitoring, and used oil handling education and enforcement.		
Funds Expended	732,200	1,239,000
Year-End Fund Balance	1,578,900	1,421,400
Specific Site Judgment Fund (EVA3006/A.R.S. § 49-104)		Non-Appropriated
Source of Revenue: Fines, forfeitures, and penalties paid by parties responsible for site contamination.		
Purpose of Fund: For administration of court settlements, judgments, or consent decrees.		
Funds Expended	0	0
Year-End Fund Balance	684,600	685,700
Underground Storage Tank Revolving (UST Summary) (EVA2271/A.R.S. § 49-1015A)		Partially-Appropriated
Source of Revenue: Laws 2015, Chapter 247 established a newly-revised corrective action program and extended the 1¢ excise tax to January 1, 2024, on which date the tax will be repealed. The bill repealed the following: the State Assurance Account (SAF), the Regulated Substance Fund, and the Grant Account. The Underground Storage Tank (UST) Revolving Fund's allowable uses were redefined, and all unexpended and unencumbered monies from these accounts were transferred to the reorganized UST Revolving Fund.		
Purpose of Fund: To provide partial coverage for permanent closures, leak prevention, and corrective action costs related to leaking underground storage tanks incurred by the department, owners, operators, or political subdivisions. As session law, the FY 2017 Environment BRB (Laws 2016, Chapter 120) permits DEQ to transfer a combined total of \$6,531,000 from the UST Revolving Fund for administrative costs of the department.		
Balance Forward	12,844,500	12,844,500
Revenue	32,636,200	31,200,000
Transfer In (from RSF to UST Revolving Fund per Laws 2015, Chapter 247)	35,232,900	0
Transfer Out	0	0
Funds Available	80,713,600	98,573,700
Appropriated Funds Expended	0	22,000
Non-Appropriated Funds Expended	13,339,900	62,067,200
Legislative Fund Transfers	0	0
Year-End Fund Balance	67,373,700	36,444,100
Voluntary Lawn and Garden Equipment Emissions Reduction Fund (EVA2306/A.R.S. § 49-474)		Non-Appropriated
Source of Revenue: Historically received an annual \$10,000 appropriation for operating costs from the since-abolished UST State Assurance Account (SAF). This fund no longer receives an appropriation.		
Purpose of Fund: To provide vouchers for the retirement of residential and commercial lawn mowers. Residential owners receive a \$100 voucher to be used toward the purchase of an electric mower. Commercial owners receive a \$200 voucher to be used toward the purchase of a mower that generates lower emissions.		
Funds Expended	0	0
Year-End Fund Balance	1,700	1,700

SUMMARY OF FUNDS	FY 2016 Actual	FY 2017 Estimate
Voluntary Remediation Fund (EVA2564/A.R.S. § 49-187)		Non-Appropriated
Source of Revenue: Legislative appropriations, program fees, cost reimbursements, gifts, grants, and donations.		
Purpose of Fund: To pay the department's oversight costs of voluntary clean-ups of contaminated properties, including application, monitoring, and enforcement activities.		
Funds Expended	348,500	588,300
Year-End Fund Balance	348,400	212,600
Voluntary Vehicle Repair & Retrofit Program Fund (EVA2365/A.R.S. § 49-474.03)		Non-Appropriated
Source of Revenue: Legislative appropriations, a \$10 fee on diesel vehicle registrations, gifts, grants and donations.		
Purpose of Fund: To provide monies for local programs intended to repair or retrofit vehicles that fail emissions tests.		
Funds Expended	0	0
Year-End Fund Balance	2,325,500	3,330,200
Water Quality Assurance Revolving Fund (EVA2221/A.R.S. § 49-282)		Non-Appropriated
Source of Revenue: Fees and taxes related to municipal water use, pesticides, fertilizers, hazardous waste, and groundwater withdrawal. As required by A.R.S. § 49-282, \$15,000,000 is to be transferred to WQARF from the Corporate Income Tax. The \$15,000,000 is adjusted at the close of the fiscal year so that when combined with other revenues the fund receives \$18,000,000 annually. This statutory transfer was suspended between FY 2011 and FY 2016 to \$7,000,000.		
Purpose of Fund: For the operation of the WQARF Priority Site Remediation Program. Expenditures include administration, legal support, identification of responsible polluters, community involvement, and contract costs for the clean-up of sites for which no responsible party can be found. There is a transfer of up to \$800,000 to the Department of Water Resources for well inspection and data management. Although this fund is not appropriated, A.R.S. § 49-282 requires the Appropriations Committees to review the annual budget for WQARF.		
Funds Expended	13,771,700	15,261,500
Year-End Fund Balance	2,766,400	668,500
Water Quality Fee Fund (EVA4100/A.R.S. § 49-210)		Appropriated
Source of Revenue: Legislative appropriations and fees received from several water quality protection programs.		
Purpose of Fund: To pay the costs of aquifer protection permit registration, dry well registration, technical review, inspections, and issuance of aquifer protection permits.		
Funds Expended	6,314,300	10,507,400
Year-End Fund Balance	6,259,100	2,769,000