

DEPARTMENT OF TRANSPORTATION - SUMMARY

Mary Peters, Director

A.R.S. § 28-101
JLBC Analyst: Bob Hull
FY 2001
Approved

General Fund and Other Appropriated Funds	FY 1999 Actual	FY 2000 Estimate	FY 2001 Approved
<u>Program Summary</u>			
Administration	71,511,100	78,419,300	79,697,500
Highways	42,139,600	42,828,300	43,812,200
Highway Maintenance	78,844,400	83,934,800	89,245,200
Aeronautics Division	1,634,300	1,710,700	1,739,200
Motor Vehicle Division	67,603,500	72,093,200	79,798,600
Total Appropriations	261,732,900	278,986,300	294,292,700
<u>Expenditure Detail</u>			
FTE Positions	3,888.0	4,105.0	4,187.0 ^{1/}
Personal Services	102,973,300	114,330,200	119,281,400
Employee Related Expenditures	25,170,100	26,734,700	28,518,800
Professional and Outside Services	2,278,700	2,995,300	4,680,600
Travel - In State	2,071,600	2,093,900	2,100,000
Travel - Out of State	191,200	162,100	162,100
Other Operating Expenditures	27,480,300	40,265,600	40,423,900
Equipment	8,918,300	7,046,000	7,134,100
Operating Subtotal	169,083,500	193,627,800	202,300,900
Special Line Items	92,649,400	85,358,500	88,222,700
Additional Appropriations	0	0	3,769,100
Total Appropriations	261,732,900	278,986,300	294,292,700 ^{2/}
<u>Fund Summary</u>			
General Fund	786,800	82,500	84,100
State Highway Fund	232,043,400	243,439,900	258,260,700
Transportation Department Equipment Fund	26,477,700	30,745,300	30,977,700
State Aviation Fund	1,634,300	1,710,700	1,739,200
Air Quality Fund	42,800	45,200	46,400
Safety Enforcement and Transportation Infrastructure Fund	747,900	1,020,600	1,217,000
Motor Vehicle Liability Insurance Enforcement Fund	0	986,800	997,700
Vehicle Inspection and Title Enforcement Fund	0	955,300	969,900
Total Appropriations	261,732,900	278,986,300	294,292,700

Agency Description — *The Department of Transportation has jurisdiction over state highways, other state roads, state airports and all state-owned transportation systems. The responsibilities of the department include the following: register motor vehicles and aircraft; license drivers; collect revenues; enforce motor vehicle and aviation statutes; do multi-modal state transportation planning and investigate new transportation systems in cooperation with local governments; establish an annually updated priority program for transportation capital improvements; design, construct and maintain state highways, airports and public transportation systems; and administer transportation safety systems.*

^{1/} Includes 367 FTE Positions funded from Special Line Items in FY 2001.

^{2/} General Appropriation Act funds are appropriated as a Lump Sum by Program.

DEPARTMENT OF TRANSPORTATION - SUMMARY (Cont'd)

Highway User Revenue (HURF) — The following table summarizes HURF distributions.

	\$ in Thousands		
	FY 1999 Actual	FY 2000 Estimate	FY 2001 Estimate
Total HURF Collections	\$982,779	\$1,022,700	\$1,041,200
Less: Economic Strength Fund ^{1/}	1,000	1,000	1,000
Dept. of Public Safety Transfer from HURF	12,500	12,500 ^{2/}	12,500 ^{2/}
Commerce and Economic Development Commission Fund ^{3/}	4,000	0	0
Department of Public Safety - Pioneer Park ^{4/}	0	130	1,123
Department of Transportation - Pioneer Park ^{4/}	0	300	4,648
Net HURF Collections	965,279	1,008,770	1,021,929
Less: Cities ^{5/}	294,410	307,675	311,688
Counties ^{5/}	183,403	191,666	194,167
Controlled Access ^{6/}	74,095	77,433	78,443
Net State Highway Fund (Discretionary)	\$413,371	\$431,996	\$437,631
Plus: Other Income ^{7/}	58,606	52,511	65,713 ^{8/9/}
Less: Operating Budget	232,043	243,440	258,261
Operating Carryovers, Adjustments and Transfer ^{10/}	1,865	1,763	5
Capital Outlay and Building Renewal	11,647	9,786	9,936
Capital Non-Lapsing Carryovers	0	4,355	0
Dept. of Public Safety Transfer from Highway Fund	12,500	12,500 ^{2/}	12,500 ^{2/}
Year 2000 Computer Projects	6,528 ^{11/}	0	0
Highway Expansion and Extension Loan Program Fund ^{12/}	0	20,000	0
Debt Service ^{13/}	27,950	35,803 ^{14/}	53,492 ^{15/}
Net Highway Fund Available for Statewide Highway Construction ^{16/} (5-Year Plan)	\$179,444	\$156,860	\$169,150

- ^{1/} Provides monies for economic strength highway projects recommended by the Commerce and Economic Development Commission and approved by the State Transportation Board.
- ^{2/} Kept at \$12,500,000 by Laws 1999, Chapter 3, 1st Special Session.
- ^{3/} Laws 1998, Chapter 7, 4th Special Session, capital appropriation for FY 1999.
- ^{4/} Laws 1999, Chapter 319, capital appropriation for Pioneer Park Regional Transportation Service Center at Prescott. These appropriations are exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations. (Laws 1999, Chapter 319 footnote)
- ^{5/} A statutorily defined distribution of HURF monies for acquisition and construction of streets or highways.
- ^{6/} A statutorily defined distribution of State Highway Fund monies for design, acquisition and construction of controlled access highways. The monies are divided 75% for Maricopa County and 25% for Pima County.
- ^{7/} Includes interest and rental income, transfers including from the Public Roads Fund, ADOT's share of the vehicle license tax, revenue from 5 formerly non-appropriated funds, and miscellaneous sales and other income.
- ^{8/} Includes a \$5,000,000 decrease for vehicle license tax revenues deposited in the Underground Storage Tank Revolving Fund Assurance Account instead of to the State Highway Fund in FY 2001, by Laws 2000, Chapter 354.
- ^{9/} Includes a \$16,748,100 increase in FY 2001 appropriated from the state General Fund to the State Highway Fund to reimburse "triggered" vehicle license tax reductions, by Laws 2000, Chapter 48.
- ^{10/} Includes \$5,000 annual transfer to Legislative Council for multistate highway transportation agreement.
- ^{11/} Includes an additional \$2,300,000 supplemental appropriation from the State Highway Fund to the Government Information Technology Agency for Arizona Department of Transportation Year 2000 computer projects by Laws 1999, Chapter 6, 1st Special Session.
- ^{12/} Laws 1999, Chapter 189, provides monies for loans and other financial assistance for eligible highway projects with 50% of the fund's total assets through December 31, 2004 for Maricopa County, 25% for Pima County, and 25% for the rest of the state. The \$20,000,000 is to be repaid to the State Highway Fund by December 31, 2008. The appropriation is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations.
- ^{13/} Debt service on highway revenue bonds, does not include debt service payable from Maricopa and Pima controlled access funds.
- ^{14/} Includes debt service on a \$61,000,000 bond issue in FY 2000.
- ^{15/} Includes debt service on a planned bond issue of \$138,000,000 in FY 2001.
- ^{16/} Excludes Maricopa and Pima County controlled access funds, and bond, federal carryover, and miscellaneous funds available for construction.

Capital Outlay Appropriations: Last year's Capital Outlay Bill appropriated a total of \$267,449,400 in FY 2000 and \$278,644,800 in FY 2001 from the State Highway Fund for the planning and construction of state highways. These totals included specific amounts for Personal Services and Employee Related Expenditures for up to 665 FTE Positions in each year. Last year's General Appropriation Act also appropriated monies for

classification maintenance reviews, a portion of which was allocated to construction FTE Positions. Adding the classification maintenance review allocations to the appropriated amounts would allow the department to expend up to \$28,428,700 for Personal Services and Employee Related Expenditures for up to 665 FTE Positions in FY 2000, and up to \$29,028,800 for Personal

DEPARTMENT OF TRANSPORTATION - SUMMARY (Cont'd)

Services and Employee Related Expenditures for up to 665 FTE Positions in FY 2001.

Capital Outlay Appropriations: Appropriation: Transportation Projects (Chapter 333) — The bill appropriates a total of \$1,422,000 in FY 2001 from the Safety Enforcement and Transportation Infrastructure Fund to ADOT for the following capital projects:

Yuma MPO-San Luis Port City Road Improvements	\$500,000
Yuma MPO-San Luis Consultancy Services	180,000
Santa Cruz County Truck Circulation Consultancy Study	117,000
City of Douglas South Chino Road Truck Bypass	550,000
City of Douglas City, State and Federal Parking Lot	75,000

The bill also appropriates an additional \$118,100 for ADOT MVD modular trailer operating expenses. The appropriations are exempt from lapsing.

Additional Legislation: Conformity; Tax Relief; Fiscal Control (Chapter 48) — This legislation makes technical corrections to Laws 1999, Chapter 5, 1st Special Session (the “trigger” bill). Included in the technical corrections is a \$16,748,100 appropriation from the state General Fund to the State Highway Fund (SHF), and a \$4,652,300 appropriation from the state General Fund to the Local Transportation Assistance Fund (LTAF). Both appropriations, totaling \$21,400,400, are made in FY 2001.

Of the total appropriated, \$7,443,600 was “triggered” due to the collection of excess FY 1999 revenues. The remaining \$13,956,800 is expected to be “triggered” due to the collection of excess FY 2000 revenues. As of this writing, this portion of the appropriation is still contingent since FY 2000 revenues are not yet final. Since FY 2000 revenues in all likelihood will be sufficient to “trigger” the portion of the appropriation, we have incorporated it into our estimate.

Laws 1999, Chapter 5, 1st Special Session provided an estimated \$41,400,400 in “triggered” Vehicle License Tax (VLT) cuts in FY 2001. Of this amount, \$20,000,000 comes from direct tax cuts to General Fund collections. The remaining portion of the tax cuts (\$21,400,400 in FY 2001) comes from eliminating VLT receipts and the subsequent deposits to the SHF and LTAF. The \$21,400,400 appropriated from the state General Fund to the SHF and LTAF offsets this revenue loss, thus holding these non-General Fund VLT recipients harmless. This total tax cut amount will be annualized to \$52,100,400 in FY 2002.

In FY 2002, the revenue loss to the SHF and LTAF is estimated to be \$32,100,400. The bill does not provide for a FY 2002 appropriation to hold the funds harmless.

Since the legislation specifies a state General Fund appropriation to the SHF and LTAF, and does not provide a direct ADOT appropriation, these appropriated General Fund monies are not displayed in the ADOT budget tables. However, the \$21,400,400 appropriation does appear in the General Fund expenditure summary table in the front of this book.

Highway Construction — The State Transportation Board oversees the department’s highway construction program. The 5-Year Highway Construction Program adopted by the Board on June 21, 1999, as adjusted for all Board changes through April 21, 2000, includes monies from the State Highway Fund, Federal Funds, Maricopa Regional Area Road Fund, Highway User Revenue Fund for controlled access roads, and bond revenues. The highway construction program totals \$1,044,025,000 for FY 2000, including \$790,546,000 for construction and maintenance projects scheduled to begin in FY 2000 and \$253,479,000 for debt service.

The highway construction program totals \$1,163,058,000 for FY 2001, including \$871,834,000 for construction and maintenance projects scheduled to begin in FY 2001 and \$291,224,000 for debt service. For details please see *Table 1*:

FY 2000	
Construction	\$ 408,676,000
Urban Controlled Access ^{2/}	160,955,000
Pavement Preservation Maintenance	67,760,000
Other ^{3/}	153,155,000
Debt Service	253,479,000
Total	\$1,044,025,000
FY 2001	
Construction	\$ 590,570,000
Urban Controlled Access ^{2/}	124,723,000
Pavement Preservation Maintenance	113,903,000
Other ^{3/}	42,638,000
Debt Service	291,224,000
Total	\$1,163,058,000

^{1/} Represents the total multi-year dollar cost of highway projects in the year which they are scheduled to begin.
^{2/} Includes expenditures from the Highway User Revenue Fund for controlled access and from the Maricopa Regional Area Road Fund.
^{3/} Includes construction preparation, contingency set-asides, and related highway construction and maintenance items.

Total Highway Construction Funding — Only a small portion of the state’s total highway construction finding is appropriated. *Table 2* summarizes the estimated revenues and expenditures for FY 2000 and FY 2001, on a cash flow basis as provided by the department. The previous table, which shows the highway construction program

DEPARTMENT OF TRANSPORTATION - SUMMARY (Cont'd)

adopted by the State Transportation Board, presents a different view since it shows the total multi-year dollar cost of each highway project in the year which it is scheduled to begin.

Of the revenue amounts, only the Statewide Highway Construction and Controlled Access Highways amounts are appropriated. Of the expenditure amounts, only a portion of Debt Service is appropriated.

	<u>FY 2000</u>	<u>FY 2001</u>
Balance Forward ^{1/}	\$ 336,078	\$ 306,710
Revenues		
Approp. Statewide Highway Construction ^{2/}	156,860	169,150
Approp. Controlled Access Highways ^{2/} (MAG & PAG)	77,433	78,443
½ Cent Sales Tax	264,991	253,990
Federal Aid	360,000	330,923
Miscellaneous Income ^{3/}	22,564	33,356
HURF Bond Proceeds ^{4/}	130,919	190,470
RARF Bond Proceeds ^{4/}	121,475	66,330
Grant Anticipation Note (GAN) Proceeds	--	100,000
Subtotal-Revenues	\$1,134,242	\$1,222,662
Total Funds Available for Construction	\$1,470,320	\$1,529,372
Debt Service Expenditures		
Appropriated Debt Service ^{2/}	35,803	53,492
Other Debt Service (HURF & RARF)	217,676	237,315
Subtotal-Debt Service	\$ 253,479	\$ 290,807
Planned Construction Expenditures		
Statewide Highway Construction ^{5/} (Includes PAG)	570,000	617,000
Controlled Access Highways (MAG)	340,131	392,963
Subtotal-Construction Expenditures	\$ 910,131	\$1,009,963
Total Planned Expenditures	\$1,163,610	\$1,300,770
Balance Forward	\$ 306,710	\$ 228,602
^{1/} Balance from FY 1999 includes unexpended bond proceeds issued in FY 1999. ^{2/} Varies from original appropriation estimate. ADOT has the authority to expend any balances and collections in the State Highway Fund in excess of the specific amounts appropriated. ^{3/} Includes all of Regional Area Road Fund (RARF) Miscellaneous Income. ^{4/} Bond Proceeds reflect a cash expenditure basis. ^{5/} Includes the PAG portion of Controlled Access Highways, Pavement Preservation Maintenance, and the Other categories shown in Table 1.		

[Click here for more information from the initial biennial appropriations report \(June 1999\)](#)