

**DEPARTMENT OF TRANSPORTATION - SUMMARY**

A.R.S. § 28-101

Mary Peters, Director

JLBC Analyst: Bob Hull/Jim Rounds

**General Fund and Other  
Appropriated Funds****FY 1998  
Actual****FY 1999  
Estimate****FY 2000  
Approved****FY 2001  
Approved**Program Summary

Administration	43,172,400	75,854,100	78,387,100	79,632,000
Highways	41,435,900	42,931,100	42,797,400	43,750,300
Highway Maintenance	74,692,600	79,236,000	82,920,300	87,216,300
Aeronautics Division	1,614,000	1,691,500	1,710,700	1,739,200
Motor Vehicle Division	60,952,100	70,309,400	80,618,600	84,542,000
<b>Total Appropriations</b>	<b>221,867,000</b>	<b>270,022,100</b>	<b>286,434,100</b>	<b>296,879,800</b>

Expenditure Detail

FTE Positions	3,683.0	3,888.0	4,105.0 <sup>1/</sup>	4,187.0 <sup>1/</sup>
Personal Services	102,760,900	107,303,900	113,374,900	117,370,800
Employee Related Expenditures	24,777,500	25,791,900	26,604,600	28,258,600
Professional and Outside Services	2,760,300	1,863,800	2,992,400	4,674,600
Travel - In State	2,047,000	2,053,400	2,093,900	2,099,900
Travel - Out of State	217,900	162,100	162,100	162,100
Other Operating Expenditures	29,634,200	31,485,600	40,265,600	40,423,900
Equipment	8,173,000	1,490,100	7,046,000	7,134,100
<b>Operating Subtotal</b>	<b>170,370,800</b>	<b>170,150,800</b>	<b>192,539,500</b>	<b>200,124,000</b>
Special Line Items	51,496,200	99,871,300	93,894,600	96,755,800
<b>Total Appropriations</b>	<b>221,867,000</b>	<b>270,022,100</b>	<b>286,434,100<sup>2/</sup></b>	<b>296,879,800<sup>2/</sup></b>

Fund Summary

General Fund	576,500	581,400	82,500	84,100
State Highway Fund	218,237,300	236,117,500	250,890,000	260,971,200
Transportation Department Equipment Fund	0	30,821,300	30,743,000	30,972,400
State Aviation Fund	1,614,000	1,691,500	1,710,700	1,739,200
Air Quality Fund	37,900	43,200	45,200	46,400
Safety Enforcement and Transportation				
Infrastructure Fund	688,000	767,200	1,020,600	1,098,900
Abandoned Vehicle Administration Fund	446,800	0	0	0
Dealer Enforcement Fund	266,500	0	0	0
Motor Vehicle Liability Insurance				
Enforcement Fund	0	0	986,800	997,700
Vehicle Inspection and Title				
Enforcement Fund	0	0	955,300	969,900
<b>Total Appropriations</b>	<b>221,867,000</b>	<b>270,022,100</b>	<b>286,434,100</b>	<b>296,879,800</b>

**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.*

<sup>1/</sup> Includes 365 and 367 FTE Positions funded from Special Line Items in FY 2000 and FY 2001, respectively.

<sup>2/</sup> General Appropriation Act funds are appropriated as a Lump Sum by Program.

**DEPARTMENT OF TRANSPORTATION - SUMMARY (Cont'd)**

<b>Key Statistics</b>	
Lane Miles	25,805
Licensed Drivers	3,600,000
Registered Vehicles	4,000,000

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

	<b>\$ In Thousands</b>			
	<b>FY 1998 Actual</b>	<b>FY 1999 Estimate</b>	<b>FY 2000 Estimate</b>	<b>FY 2001 Estimate</b>
<b>Total HURF Collections</b>	\$887,487	\$939,900	\$976,867	\$1,013,527
Less: Economic Strength Fund <sup>1/</sup>	1,000	1,000	1,000	1,000
Dept of Public Safety Transfer from HURF	15,000	12,500	12,500 <sup>2/</sup>	12,500 <sup>2/</sup>
Commerce and Economic Development Commission Fund <sup>3/</sup>	0	4,000	0	0
Department of Public Safety - Pioneer Park <sup>4/</sup>	0	0	130	1,123
Department of Transportation - Pioneer Park <sup>4/</sup>	0	0	300	4,648
<b>Net HURF Collections</b>	\$871,487	\$922,400	\$962,937	\$994,256
Less: Cities <sup>5/</sup>	265,803	281,332	293,696	303,248
Counties <sup>5/</sup>	165,583	175,256	182,958	188,909
Controlled Access <sup>6/</sup>	66,895	70,803	73,915	76,319
<b>Net State Highway Fund (Discretionary)</b>	\$373,206	\$395,009	\$412,368	\$425,780
Plus: Other Income <sup>7/</sup>	74,423	52,844	50,102	51,969
Less: Operating Budget	218,237	236,118	250,890	260,971
Operating Carryovers, Adjustments and Transfer <sup>8/</sup>	2,870	2,723	5	5
Capital Outlay and Building Renewal	12,554	8,473	9,786	9,936
Capital Non-Lapsing Carryovers	0	7,640	0	0
Dept of Public Safety Transfer from Highway Fund	15,000	12,500	12,500 <sup>2/</sup>	12,500 <sup>2/</sup>
Year 2000 Computer Projects	6,364	6,528 <sup>9/</sup>	0	0
Dept of Emergency and Military Affairs - 1993 Flood Relief	800	0	0	0
Highway Expansion and Extension Loan Program Fund <sup>10/</sup>	0	0	20,000	0
Debt Service <sup>11/</sup>	29,430	27,950	36,658 <sup>12/</sup>	45,502 <sup>12/</sup>
<b>Net Highway Fund Available for Statewide Highway Construction (5-Year Plan) <sup>13/</sup></b>	<b>\$162,774</b>	<b>\$145,921</b>	<b>\$132,631</b>	<b>\$148,835</b>

<sup>1/</sup> Provides monies for economic strength highway projects recommended by the Commerce and Economic Development Commission and approved by the State Transportation Board.

<sup>2/</sup> Kept at \$12,500,000 by Laws 1999, Chapter 3, 1<sup>st</sup> Special Session.

<sup>3/</sup> Laws 1998, Chapter 7, 4<sup>th</sup> Special Session, capital appropriation for FY 1999.

<sup>4/</sup> 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)

<sup>5/</sup> A statutorily defined distribution of HURF monies for acquisition and construction of streets or highways.

<sup>6/</sup> 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.

<sup>7/</sup> 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.

<sup>8/</sup> Includes \$5,000 annual transfer to Legislative Council for multistate highway transportation agreement.

<sup>9/</sup> 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, 1<sup>st</sup> Special Session.

<sup>10/</sup> 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.

<sup>11/</sup> Debt service on highway revenue bonds, does not include debt service payable from Maricopa and Pima controlled access funds.

<sup>12/</sup> Includes debt service on a planned bond issue of \$212,000,000 in FY 2000.

<sup>13/</sup> Excludes Maricopa and Pima County controlled access funds, and bond, federal carryover, and miscellaneous funds available for construction.

**DEPARTMENT OF TRANSPORTATION - SUMMARY (Cont'd)**

**Maricopa Freeway System** — The Highway Expansion and Extension Loan Program Fund is used by the department to make loans to political subdivisions, state agencies, or Indian tribes to accelerate the completion of eligible highway projects. To speed completion of the Maricopa freeway system, and state route 85 from I-10 to the Gila River, the fund's capitalization will be increased up to \$180,000,000. This amount includes:

- Issuing up to \$100,000,000 of Board Funding Obligations in FY 2000, which continues through FY 2007 (Laws 1999, Chapter 189)
- A \$20,000,000 appropriation from the State Highway Fund in FY 2000 (Laws 1999, Chapter 189)
- A \$60,000,000 appropriation from the General Fund consisting of \$20,000,000 in each of FY 2001, FY 2002, and FY 2003. (Laws 1999, Chapter 2, 1<sup>st</sup> Special Session)

The department estimates that this additional funding will accelerate the completion of the Maricopa freeway system, and State Route 85 from I-10 to the Gila River, by 7 years to December 31, 2007. Their estimated total remaining cost for the Maricopa freeway system and State Route 85 from I-10 to the Gila River, is approximately \$2,000,000,000 from FY 2000 through FY 2008. Of this amount, \$300,000,000 would be funded from the Highway Expansion and Extension Loan Program Fund. The remaining funding would come from several sources including the Maricopa Regional Area Road Fund, State Highway Fund, federal funds, bonding, and federal grant anticipation notes.

The following table projects \$550,000,000 being made available for FY 2000 through FY 2004 by loaning the monies in the Highway Expansion and Extension Loan Program Fund to political entities. Of this amount, \$300,000,000 is apportioned to the Maricopa freeway system and State Route 85 from I-10 to the Gila River, and \$250,000,000 to Pima County and the rest of the state. Laws 1999, Chapter 189 provides that 50% of the total amount of monies and other assets in the fund through December 31, 2004 be used for loans and other financial assistance for eligible projects in Maricopa County, 25% in Pima County, and 25% in the rest of the state.

**Highway Expansion and Extension Loan Program Fund Analysis 1/  
(Dollars in Millions)**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2000- FY 2005</b>
<b>Monies Loaned From Capitalizations</b>						
Infrastructure Bank - Current Monies	\$ 10	\$ 10		\$ 20		\$ 40
Board Funding Obligations	100 <sup>2/</sup>					100
State Highway Fund	20 <sup>3/</sup>					20
General Fund		20	\$ 20	20		60
<b>Monies Loaned from Repayments of Loans</b>						
Infrastructure Bank Repayments			10	10	\$ 10	30
Board Funding Obligations		100 <sup>4/</sup>			100 <sup>5/</sup>	200
State Highway Fund		20		20		40
General Fund			20	40		60
<b>Distribution of Monies</b>						
Maricopa Freeway System - Cumulative	\$100	\$100	\$100	\$200	\$300	\$300
Non-Maricopa Counties - Cumulative	30	130	230	240	250	250
Balance Forward		50				
<b>Total</b>	<b>\$130</b>	<b>\$150</b>	<b>\$ 50</b>	<b>\$110</b>	<b>\$110</b>	<b>\$550</b>

1/ Provided by the Arizona Department of Transportation.  
 2/ One year maturity. (Laws 1999, Chapter 189)  
 3/ Must be repaid to the State Highway Fund by December 31, 2008. (Laws 1999, Chapter 189)  
 4/ Three year maturity. (Laws 1999, Chapter 189)  
 5/ Four year maturity. (Laws 1999, Chapter 189)

## DEPARTMENT OF TRANSPORTATION - SUMMARY (Cont'd)

**Capital Outlay Appropriations:** Chapter 2, 1<sup>st</sup> Special Session - Appropriates a total of \$289,681,500 in FY 2000 and \$300,200,000 in FY 2001 to the Department of Transportation for the following projects from the specified funds.

State Highway Fund (\$277,235,100 in FY 2000; \$288,580,300 in FY 2001)

- Building Renewal — Appropriates \$2,257,700 in FY 2000 and \$2,427,900 in FY 2001 to fund 100% of the Building Renewal formula.
- North Phoenix Maintenance Yard — Appropriates \$3,400,000 in FY 2000 to purchase 20 acres of land and fund utilities hookup, yard paving, landscaping, fuel facilities, a materials warehouse, an equipment canopy, and an office.
- Cottonwood MVD Service Center — Appropriates \$800,000 in FY 2000 and \$1,000,000 in FY 2001 to purchase 4 acres of land and design, construct and furnish a new 7,000 square foot Cottonwood MVD service center.
- Glendale MVD Service Center — Appropriates \$1,200,000 in FY 2000 and \$2,100,000 in FY 2001 to purchase 5 acres of land and design, build and furnish a new 14,000 square foot Glendale MVD service center.
- Douglas MVD Service Center — Appropriates \$1,150,000 in FY 2001 to build and furnish a new 4,000 square foot Douglas MVD service center.
- Payson MVD Service Center - Land Purchase and Design — Appropriates \$600,000 in FY 2001 to purchase 4 acres of land and design a new 4,000 square foot Payson MVD service center.
- MVD Central Arizona Port - New Trailers — Appropriates \$268,300 in FY 2001 to replace 3 trailers and fund site improvements.
- Spreader Racks — Appropriates \$1,488,000 in FY 2000 for 78 spreader racks and \$1,401,000 in FY 2001 for 76 spreader racks. The racks are used to store spreaders, which are carried on the backs of utility trucks in order to salt and sand roads. These appropriations will complete the spreader rack replacement project.
- De-icer Building — Appropriates \$180,000 in FY 2000 and \$180,000 in FY 2001 to build de-icer buildings in the towns of Seligman and Williams. De-icer buildings are used to store sand and pre-mix materials used on snow and ice. To date, funding has been provided for 10 of the 24 project buildings.
- Vehicle Wash Racks — Appropriates \$150,000 in FY 2000 and \$150,000 in FY 2001 to build wash racks in the towns of Flagstaff and Kingman.
- Asphalt Tank Replacement — Appropriates \$200,000 in FY 2000 and \$200,000 in FY 2001 to replace 4 asphalt tanks in outlying areas.
- Methane Extraction Unit — Appropriates \$110,000 in FY 2000 to install a back-up methane extraction

system at the Grant Road maintenance yard in Tucson, which was built on a landfill.

- Safety Barrier Wall — Appropriates \$45,000 in FY 2001 to construct a retaining wall at the Roosevelt maintenance yard.
- Fire System Upgrades — Appropriates \$138,300 in FY 2001 to install sprinkler systems at the Holbrook lab and the Phoenix engineering building.
- Needle Mountain Maintenance Yard - Crew Room — Appropriates \$150,000 in FY 2001 to construct a 1,500 square foot building to provide a crew room, restrooms, locker rooms and showers.
- Liquid De-icer Storage Tanks — Appropriates \$125,000 in FY 2001 to design and build two 10,000 gallon liquid de-icer storage tanks in Flagstaff.
- Highway Construction — Appropriates \$267,449,400 in FY 2000 and \$278,644,800 in FY 2001 for highway construction and debt service. The following footnotes from the bill relate to highway construction:

This amount appropriated for highway construction is from the State Highway Fund for the planning and construction of state highways, including the national system of interstate highways within this state, the state primary or secondary system, the county primary or secondary system and urban rural routes, the acquisition of rights-of-way, the cost of field administration and field engineering on construction projects and debt service payments on bonds issued for highway construction. Any balances and collections in the State Highway Fund in excess of the specific amounts appropriated in the General Appropriation Act and in this act are appropriated to the department for the purposes provided in this paragraph.

Of the amounts appropriated from the State Highway Fund for the planning and construction of state highways, the department may allocate up to \$27,993,400 for Personal Services and Employee Related Expenditures for up to 665 FTE Positions in FY 2000, and up to \$28,158,200 for Personal Services and Employee Related Expenditures for up to 665 FTE Positions in FY 2001. Before the expenditure of any operating budget monies from the capital budget, the Department of Transportation shall submit information on any operating budget expenses funded from the capital budget to the Joint Committee on Capital Review by July 1, 1999 and July 1, 2000 for review. The submittal shall contain at least as much detail as the department's annual operating budget request. Operating budget expenditures include any expenditure for Personal Services, Employee Related Expenditures, Professional and Outside Services, Travel - In State, Travel - Out of State and Other Operating Expenditures.

## **DEPARTMENT OF TRANSPORTATION - SUMMARY (Cont'd)**

---

Section 8 of the bill appropriates \$20,000,000 in FY 2001, FY 2002, and FY 2003 from the General Fund to the Highway Expansion and Extension Loan Program (HELP) Fund modified by Laws 1999, Chapter 189. These appropriations are not included in the totals shown above. (See *Maricopa Freeway System write-up for more information on HELP*)

### State Aviation Fund (\$10,866,400 in FY 2000; \$10,619,700 in FY 2001)

- Building Renewal — Appropriates \$52,200 in FY 2000 and \$56,100 in FY 2001 to fund 100% of the Building Renewal formula.
- Airport Planning and Development — Appropriates \$10,814,200 in FY 2000 and \$10,563,600 in FY 2001 for the planning, construction, development and improvement of state, county, city or town airports as determined by the State Transportation Board. Any balances and collections in the fund in excess of amounts appropriated in the General Appropriation Act and the Capital Outlay Bill are appropriated to the department for airport planning and development.

### Safety Enforcement and Transportation Infrastructure Fund

- MVD Nogales Port Facility — Appropriates \$1,580,000 in FY 2000 and \$1,000,000 in FY 2001 to build a new vehicle inspection port in Nogales. The bill includes the following footnote on remaining monies in the fund:

If the Department of Transportation secures federal assistance monies for the completion of the Nogales Port facility, and if any monies appropriated from the Safety Enforcement and Transportation Infrastructure Fund remain after the completion of the Nogales Port facility, the remaining monies shall be allocated to the Director of the Department of Transportation for use on additional capital projects related to the enforcement of vehicle safety requirements within 25 miles of the border between Mexico and Arizona. Before the expenditure of the remaining monies, the department shall submit its expenditure plan for review by the Joint Legislative Review Committee on Transportation between Sonora, Mexico and Arizona and then to the Joint Committee on Capital Review.

Grand Canyon Airport Authority; Establishment (Chapter 213) — Makes the following appropriations from the State Aviation Fund to the Grand Canyon Airport Authority: \$650,000 for operating expenditures and \$350,000 for capital improvement projects in FY 2000, and \$350,000 for operating expenditures and \$150,000 for capital improvement projects in FY 2001. (See *Grand Canyon Airport write-up in the Aeronautics Division for more information*)

Appropriation: Regional Transportation Center (Chapter 319) — Appropriates \$300,000 in FY 2000 and \$4,647,500 in FY 2001 to the Department of Transportation from the Highway User Revenue Fund for the design, engineering and construction of the Pioneer Park Regional Transportation Service Center at Prescott. The Department of Public Safety also received appropriations for the project.