

## Department of Transportation

	FY 2017 ACTUAL	FY 2018 ESTIMATE	FY 2019 BASELINE
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	4,552.0	4,552.0	4,552.0
Personal Services	104,717,200	108,096,500	108,096,500
Employee Related Expenditures	45,985,400	50,558,400	47,361,400
Professional and Outside Services	10,389,800	10,968,800	10,968,800
Travel - In State	918,000	1,154,500	1,154,500
Travel - Out of State	179,000	188,400	188,400
Other Operating Expenditures	18,742,200	21,728,100	21,929,100
Equipment	18,122,000	15,956,400	12,972,900
<b>OPERATING SUBTOTAL</b>	<b>199,053,600</b>	<b>208,651,100</b>	<b>202,671,600</b>
<b>SPECIAL LINE ITEMS</b>			
Attorney General Legal Services	3,477,700	3,577,700	3,577,700
Driver Safety and Livestock Control	0	2,400,000	800,000
Flagstaff Building Equipment	0	2,530,000	0
Fraud Investigation	744,200	781,900	767,000
Highway Maintenance	132,650,600	147,108,200	130,705,200
Highway Damage Recovery Account	0	0	3,000,000
New Third-Party Funding	554,600	634,900	629,600
Phoenix Area Freeway Lighting	1,499,900	1,500,000	1,500,000
Statewide Drainage Structures	4,300,000	4,300,000	4,300,000
Vehicle Replacement	0	0	15,300,000
Vehicles and Heavy Equipment	16,888,200	18,726,300	18,474,600
Grand Canyon Airport Projects	0	466,000	0
<b>AGENCY TOTAL</b>	<b>359,168,800</b>	<b>390,676,100</b>	<b>381,725,700</b>
<b>FUND SOURCES</b>			
General Fund	49,800	50,500	50,400
<u>Other Appropriated Funds</u>			
Air Quality Fund	161,600	161,700	161,700
Driving Under the Influence Abatement Fund	149,300	153,400	152,200
Highway Damage Recovery Account	0	3,000,000	3,000,000
Highway User Revenue Fund	602,200	656,100	649,700
Motor Vehicle Liability Insurance Enforcement Fund	1,295,200	1,332,400	1,308,700
Safety Enforcement and Transportation Infrastructure Fund - Department of Transportation Subaccount	1,832,600	1,897,400	1,868,300
State Aviation Fund	1,573,500	2,103,100	1,816,800
State Highway Fund	335,181,400	361,130,800	352,793,100
Transportation Department Equipment Fund	16,888,200	18,726,300	18,474,600
Vehicle Inspection and Certificate of Title Enforcement Fund	1,435,000	1,464,400	1,450,200
SUBTOTAL - Other Appropriated Funds	359,119,000	390,625,600	381,675,300
<b>SUBTOTAL - Appropriated Funds</b>	<b>359,168,800</b>	<b>390,676,100</b>	<b>381,725,700</b>
Other Non-Appropriated Funds	54,271,700	55,954,800	56,254,100
Federal Funds	1,995,000	1,995,000	1,995,000
<b>TOTAL - ALL SOURCES</b>	<b>415,435,500</b>	<b>448,625,900</b>	<b>439,974,800</b>

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

## Operating Budget

The Baseline includes \$202,671,600 and 3,390 FTE Positions in FY 2019 for the operating budget. These amounts consist of:

	<b>FY 2019</b>
General Fund	\$50,400
Air Quality Fund	161,700
Driving Under the Influence (DUI) Abatement Fund	152,200
Highway User Revenue Fund	452,600
Motor Vehicle Liability Insurance Enforcement Fund	1,209,800
Safety Enforcement and Transportation Infrastructure Fund - Department of Transportation Subaccount	1,308,300
State Aviation Fund	1,816,800
State Highway Fund	196,156,700
Vehicle Inspection and Certificate of Title Enforcement Fund	1,363,100

FY 2019 adjustments are as follows:

### Special Line Item Shift

The Baseline includes a decrease of \$(2,983,500) from the State Highway Fund in FY 2019 for a shift in resources from the operating budget to the new Vehicle Replacement line item.

This decrease corresponds to the amount that the department allocates from its operating budget for its average annual lease obligation for vehicle and heavy equipment replacement. This shift is intended to consolidate all vehicle replacement costs in a single line item. *(Please see the Vehicle Replacement line item and Highway Maintenance line item sections for more information.)*

### Operating Budget Shift

The Baseline includes an increase of \$201,000 from the State Aviation Fund in FY 2019 for a shift in resources from the Grand Canyon Airport Projects line item to the operating budget.

This amount supports maintenance of an airplane monitoring system, continued replacement of firefighter equipment, and runway maintenance.

### Remove Health Insurance Adjustment

The Baseline includes a decrease of \$(3,197,000) in FY 2019 for the removal of a one-time FY 2018 health insurance adjustment. This amount consists of:

General Fund	(100)
DUI Abatement Fund	(1,200)
Highway User Revenue Fund	(6,400)
Motor Vehicle Liability Insurance Enforcement Fund	(23,700)
Safety Enforcement and Transportation Infrastructure Fund - Department of Transportation Subaccount	(29,100)
State Aviation Fund	(21,300)
State Highway Fund	(3,101,900)
Vehicle Inspection and Certificate of Title Enforcement Fund	(13,300)

*(Please see the Technical Budget Assumptions section.)*

## Attorney General Legal Services

The Baseline includes \$3,577,700 from the State Highway Fund in FY 2019 for Attorney General Legal Services. This amount is unchanged from FY 2018.

This line item funds 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.

## Driver Safety and Livestock Control

The Baseline includes \$800,000 from the State Highway Fund in FY 2019 for Driver Safety and Livestock Control. FY 2019 adjustments are as follows:

### Remove One-Time Funding

The Baseline includes a decrease of \$(1,600,000) from the State Highway Fund in FY 2019 for the elimination of one-time funding.

This line item funds the annual maintenance and repair of statewide cattle guard grills. To prevent livestock movement from harming drivers and bicyclists, ADOT has installed over 12,800 cattle guard grills across the state. The grills are designed to discourage livestock passage while not impeding road users.

## Flagstaff Building Equipment

The Baseline includes no funding from the State Highway Fund in FY 2019 for Flagstaff Building Equipment. FY 2019 adjustments are as follows:

### Remove One-Time Funding

The Baseline includes a decrease of \$(2,530,000) from the State Highway Fund in FY 2019 the elimination of one-time funding.

This line item provided funding for furnishing and equipment at ADOT's new Northcentral District Regional Office in Flagstaff. Through an agreement with the City of Flagstaff and a real-estate developer, ADOT exchanged its existing Northcentral office and regional lab located on Milton Road for a private sector building on University Drive, which will be renovated as the department's new office and regional lab.

**Fraud Investigation**

The Baseline includes \$767,000 and 10 FTE Positions from the State Highway Fund in FY 2019 for Fraud Investigation. FY 2019 adjustments are as follows:

**Remove Health Insurance Adjustment**

The Baseline includes a decrease of \$(14,900) from the State Highway Fund in FY 2019 for the removal of a one-time FY 2018 health insurance adjustment.

This line item funds the investigation of fraudulent driver licenses and motor vehicle documents.

**Highway Maintenance**

The Baseline includes \$130,705,200 and 932 FTE Positions in FY 2019 for Highway Maintenance. These amounts consist of:

Safety Enforcement and Transportation	560,000
Infrastructure Fund - Department of Transportation Subaccount	
State Highway Fund	130,145,200

FY 2019 adjustments are as follows:

**Special Line Item Shift**

The Baseline includes a decrease of \$(12,316,500) from the State Highway Fund in FY 2019 for a shift in resources from the operating budget to the new Vehicle Replacement line item.

This decrease corresponds to the amount that the department allocates from its Highway Maintenance line item for its average annual lease obligation for vehicle and heavy equipment replacement. This shift is intended to consolidate all vehicle replacement costs in a single line item. *(Please see the Vehicle Replacement line item and operating budget section for more information.)*

**Special Line Item Shift**

The Baseline includes a decrease of \$(3,000,000) from the Highway Damage Recovery Account in FY 2019 for a shift in resources from the Highway Maintenance line item to the new Highway Damage Recovery Account line item.

*(Please see the Highway Damage Recovery Account line item for more information.)*

**Remove Health Insurance Adjustment**

The Baseline includes a decrease of \$(1,086,500) from the State Highway Fund in FY 2019 for the removal of a one-time FY 2018 health insurance adjustment.

This line item funds the maintenance of 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.

In addition to the \$130,705,200 included for Highway Maintenance, the Proposition 400 Maricopa County half-cent sales tax extension makes another \$13,500,000 available in FY 2019 for landscape maintenance, trash pick-up, sweeping, and litter education from the non-appropriated Maricopa Regional Area Road Fund.

**Highway Damage Recovery Account**

The Baseline includes \$3,000,000 from the Highway Damage Recovery Account in FY 2019 for a new Highway Damage Recovery Account line item. FY 2019 adjustments are as follows:

**Special Line Item Shift**

The Baseline includes an increase of \$3,000,000 from the Highway Damage Recovery Account in FY 2019 for a shift in resources from the Highway Maintenance line item to the new Highway Damage Recovery Account line item. *(Please see the Highway Maintenance line item for more information.)*

This line item also funds the maintenance of the state highway system beyond that which is provided by the Highway Maintenance line item. The Highway Damage Recovery Account collects all monies received as reimbursements for highway damage caused by liable third-parties; those monies are used to repair that damage.

**New Third-Party Funding**

The Baseline includes \$629,600 and 20 FTE Positions in FY 2019 for New Third-Party Funding. These amounts consist of:

Highway User Revenue Fund	197,100
Motor Vehicle Liability Insurance Enforcement Fund	98,900
State Highway Fund	246,500
Vehicle Inspection and Certificate of Title Enforcement Fund	87,100

FY 2019 adjustments are as follows:

**Remove Health Insurance Adjustment**

The Baseline includes a decrease of \$(5,300) for the removal of a one-time FY 2018 health insurance adjustment. This amount consists of:

State Highway Fund	(4,400)
Vehicle Inspection and Certificate of Title Enforcement Fund	(900)

This line item funds the review of 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.

**Phoenix Area Freeway Lighting**

The Baseline includes \$1,500,000 from the State Highway Fund in FY 2019 for Phoenix Area Freeway Lighting. This amount is unchanged from FY 2018.

This line item funds the maintenance of approximately 15,000 freeway lights in the Phoenix Metropolitan area.

**Statewide Drainage Structures**

The Baseline includes \$4,300,000 from the State Highway Fund in FY 2019 for statewide drainage structures. This amount is unchanged from FY 2018.

This line item funds the removal of silt in pipes, culverts and drainage structures. Drainage structures prevent flooding and degradation of the state highway system.

**Vehicle Replacement**

The Baseline includes \$15,300,000 from the State Highway Fund in FY 2019 for a new Vehicle Replacement line item. FY 2019 adjustments are as follows:

**Vehicle and Heavy Equipment Replacement**

The Baseline includes an increase of \$15,300,000 from the State Highway Fund in FY 2019 for vehicle and heavy equipment replacement. This funding is offset by a corresponding decrease to the operating budget and Highway Maintenance line item.

ADOT currently finances replacements for its Vehicle and Heavy Equipment fleet through 5-year third-party lease agreements paid from the operating budget and Highway Maintenance line item. The department has an average annual lease payment obligation of \$15,300,000 through these agreements. Prior to this line item, the \$15,300,000 total lease obligation was paid \$2,983,500 from the

operating budget and \$12,316,500 from the Highway Maintenance line item. A General Appropriation Act footnote would require vehicle and heavy equipment replacement to be funded only from this line item.

**Vehicles and Heavy Equipment**

The Baseline includes \$18,474,600 and 200 FTE Positions from the Transportation Department Equipment Fund in FY 2019 for Vehicles and Heavy Equipment. FY 2019 adjustments are as follows:

**Remove Health Insurance Adjustment**

The Baseline includes a decrease of \$(251,700) from the Transportation Department Equipment Fund in FY 2019 for the removal of a one-time FY 2018 health insurance adjustment.

This line item funds the maintenance and repair of the department's vehicle and equipment fleet.

**Grand Canyon Airport Projects**

The Baseline includes no funding in FY 2019 for Grand Canyon Airport Projects. FY 2019 adjustments are as follows:

**Remove One-Time Funding**

The Baseline includes a decrease of \$(265,000) from the State Aviation Fund in FY 2019 the elimination of one-time funding.

These one-time projects included an airplane monitoring system to ensure proper charging of customer fees; firefighter equipment replacement; and security system improvements.

**Operating Budget Shift**

The Baseline includes a decrease of \$(201,000) from the State Aviation Fund in FY 2019 for a shift in resources from the Grand Canyon Airport Projects line item to the operating budget.

This amount supports maintenance of the monitoring system, continued replacement of firefighter equipment, and runway maintenance.

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**FORMAT** — Operating Lump Sum with Special Line Items by Agency

**FOOTNOTES**

*Standard Footnotes*

Of the total amount appropriated, \$130,705,200 in FY 2019 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 - Department of Transportation Subaccount established by A.R.S. § 28-6547, on August 31, 2019.

In accordance with A.R.S. § 35-142.01, reimbursements for monies expended from the Highway Maintenance line item may not be credited to the account out of which the expenditure was incurred. The department shall deposit all reimbursements for monies expended from the Highway Maintenance line item in the Highway Damage Recovery Account established by A.R.S. § 28-6994.

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 \$15,981,300 in FY 2019 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, 2019 for FY 2019.

The Department of Transportation shall contract with an independent third-party consultant for the duration of the Motor Vehicle Division legacy system replacement project. On or before February 1, 2019, the independent third-party consultant shall submit an annual progress report for review by the Joint Legislative Budget Committee. The annual report shall evaluate and assess the project's success in meeting and incorporating the tenets of the project investment justification, including the 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 August 1, 2018, the department shall report to the Director of the Joint Legislative Budget Committee

on the state's share of fees retained by the ServiceArizona vendor in the prior fiscal year. The report shall also include the amount spent by the ServiceArizona vendor on behalf of this state in the prior fiscal year, as well as a list of the projects funded with those monies.

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 the operating lump sum appropriation or other line items intended for this purpose shall be transferred to the Attorney General Legal Services line item before expenditure.

*New Footnotes*

All expenditures made by the Department of Transportation for vehicle and heavy equipment replacement shall be funded only from the Vehicle Replacement line item. Monies in the operating lump sum appropriation or other line items intended for this purpose shall be transferred to the Vehicle Replacement line item before expenditure. *(The new line item is intended to be the only line item from which the department funds the replacement of its vehicle and heavy equipment fleet.)*

*Deletion of Prior Year Footnotes*

The Baseline would delete the one-time reporting footnote on the linkage costs associated with the new Motor Vehicle Division automated system.

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***Other Issues***

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***MvM Project Status***

The Motor Vehicle Modernization (MvM) Project is a custom software development project designed to enhance ADOT's Motor Vehicle Division operations. The project is funded through an agreement between ADOT and the ServiceArizona vendor, where the vendor retains roughly half of all transaction fees and deposits the remaining half into an account to be spent on the MvM project at ADOT's discretion. The project is estimated to be completed in FY 2020. ADOT has an annual option to sign a 1-year extension for the ServiceArizona agreement with the vendor. The maximum contract extension date is the end of FY 2021. At that point, any monies in the balance of ADOT's account with the ServiceArizona vendor will be turned over to ADOT. Upon completion of the project, ADOT will contract again for the operation of ServiceArizona. At the end of FY 2017, \$26.9 million had been spent on the project out of a \$56.0 million budget.

### ***Real ID Extension***

Laws 2015, Chapter 294 required 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 granted Arizona an extension and will accept existing Arizona driver licenses until September 30, 2020.

### ***Special Plates***

In order to establish a special plate, a statutorily designated entity must pay a \$32,000 implementation fee. In general, 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 2017, the special plate program generated \$2,895,000 for charities, \$6,949,600 for state agencies including universities, \$5,800 for HURF and \$3,662,300 for the State Highway Fund, for total revenues of \$13,512,700.

As shown in *Table 2*, there are 53 special plate types with 452,390 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.

The following 3 special plates were added in 2017:

- Science Education Special Plate (Laws 2017, Chapter 75)
- Collector Car Auction Special Plate (Laws 2017, Chapter 110)
- Active Duty Military Installation Support Special Plate (Laws 2017, Chapter 110)

**Table 2**

**Special License Plates <sup>1/2/3/</sup>**

<b><u>Included in Statewide Special Plates Fund</u></b>		<b><u>Not Included in Statewide Special Plates Fund</u></b>	
<b><u>Name</u></b>	<b><u>Number of Plates Issued in FY 2017</u></b>	<b><u>Name</u></b>	<b><u>Number of Plates Issued in FY 2017</u></b>
AZ Professional Football Club	76,446	Veteran	82,772
Military Support/Scholarship	38,458	AZ Highways	29,680
AZ Professional Baseball Club	10,416	Collegiate - University of Arizona	24,432
Agricultural Youth Organization	10,119	Collegiate - AZ State University	18,587
AZ Centennial	9,945	Families of Fallen Police Officers	15,635
First Responder	9,457	Spaying and Neutering of Animals	14,097
Transplantation Awareness	5,199	Child Abuse Prevention	13,722
Historic Federal Highway	4,587	Golden Rule	11,745
AZ Professional Basketball Club	4,413	Breast & Cervical Cancer	11,171
AZ Professional Hockey Club	2,943	In God We Trust	11,050
Extraordinary Educators	2,145	AZ Sportsmen for Wildlife	8,978
Keep AZ Beautiful (anti-litter)	1,764	Environmental	8,517
Childhood Cancer Research	1,359	Fire Fighter	4,431
Volunteer Firefighters	1,146	Collegiate - NAU	2,881
AZ Motorsports Commemorative	1,108	Navajo Nation	2,413
Hunger Relief	933	Women Veteran	1,863
AZ Masonic Fraternity	709	Character Education	1,651
Regionally Accredited Institution	678	Choose Life	1,416
AZ Professional Golf	597	Fraternal Order of Police	836
Global Graduate Management	475	White Mountain Apache Tribe	529
Play Unified	389	San Carlos Apache	518
AZ Public Broadcast Television	372	Gold Star Family	459
Youth Development Organization	349	Farm Vehicle	334
Girls' Youth Organization	154	AZ Historical Society	144
Health Sciences Educational	130	University of Phoenix	118
Collegiate - Community College	<u>0</u>	National Guard	114
		Legion of Valor	<u>6</u>
<b>Total</b>	<b>184,291</b>	<b>Total</b>	<b>268,099</b>

<sup>1/</sup> Excludes 88,122 off-highway vehicle decals.

<sup>2/</sup> 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.

<sup>3/</sup> The Emergency Medical Services, Multiple Sclerosis Awareness and Don't Tread on Me special plates did not raise sufficient funds to implement the plates.

SUMMARY OF FUNDS	FY 2017 Actual	FY 2018 Estimate
<b>Abandoned Vehicle Administration Fund (DTA2150/A.R.S. § 28-4804)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Abandoned vehicle fees, of which the amounts are determined by the ADOT Director. Currently, for vehicles on private or local land, the owner pays a fee of \$500 and for vehicles abandoned on state or federal land, the owner pays a fee of \$600.		
<b>Purpose of Fund:</b> Established by Laws 2017, Chapter 249, the fund partially reimburses towing companies for abandoned vehicle removal. Chapter 249 modified the reimbursement to the towing company from a flat \$100 for fees from vehicles abandoned on state or federal land to a 20% reimbursement regardless of location. After that disbursement, to statutorily distribute remaining fee revenues to the General Fund and State Highway Fund, with a 90/10 split, respectively, for fees from vehicles abandoned on private or local land and a 60/40 split for fees from vehicles abandoned on state or federal land.		
<b>Funds Expended</b>	0	916,700
<b>Year-End Fund Balance</b>	0	0
<b>Air Quality Fund (DTA2226/A.R.S. § 49-551)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> 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 (DEQ).		
<b>Purpose of Fund:</b> For tracking the availability and sales of oxygenated fuels to ensure that a sufficient supply is available for non-attainment areas of the state.		
<b>Funds Expended</b>	161,600	161,700
<b>Year-End Fund Balance</b>	72,800	72,800
<b>Arizona Highways Magazine Fund (DTA2031/A.R.S. § 28-7315)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	4,453,000	4,589,800
<b>Year-End Fund Balance</b>	4,272,300	4,544,100
<b>Cash Deposits Fund (DTA2266/A.R.S. § 28-363)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Deposits from individuals either bidding at auction on department property or renting department property.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	1,050,700	0
<b>Contract Counsel Fund (DTA4212/A.R.S. § 28-6925)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> To reimburse the Attorney General for attorneys' services for rights-of-way condemnation cases on federal aid projects.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0

SUMMARY OF FUNDS	FY 2017 Actual	FY 2018 Estimate
<b>Driving Under the Influence Abatement Fund (DTA2422/A.R.S. § 28-1304)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	149,300	153,400
<b>Year-End Fund Balance</b>	44,700	43,500
<b>Economic Strength Project Fund (DTA2244/A.R.S. § 28-7282)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> The fund receives \$1,000,000 each June 15 from the Highway User Revenue Fund and interest from investment of inactive balances.		
<b>Purpose of Fund:</b> 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. Figures exclude expenditures for capital highway construction projects. <i>(See the ADOT Capital Outlay Budget section for capital expenditures not shown here.)</i>		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	1,523,000	1,534,000
<b>Federal Grants (DTA2097/A.R.S. § 28-363)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Federal grants, other than aviation federal grants.		
<b>Purpose of Fund:</b> 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. <i>(See the ADOT Capital Outlay Budget section for capital expenditures not shown here.)</i>		
<b>Funds Expended</b>	1,995,000	1,995,000
<b>Year-End Fund Balance</b>	977,100	25,110,700
<b>Highway Damage Recovery Account (DTA8888/A.R.S. § 28-6994)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Reimbursements for highway damage repair expenses paid by liable third parties.		
<b>Purpose of Fund:</b> For maintenance of state highways. The FY 2018 Budget Procedures Bill (Laws 2017, Chapter 307) created the subaccount for ADOT to deposit all highway damage repair reimbursements. A footnote in the FY 2018 General Appropriation Act (Laws 2017, Chapter 305) prevents ADOT from crediting these reimbursements as negative expenditures.		
<b>Funds Expended</b>	0	3,000,000
<b>Year-End Fund Balance</b>	0	500,000
<b>Highway Expansion and Extension Loan Program Fund (DTA2417/A.R.S. § 28-7674)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> 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. The FY 2018 Capital Outlay Bill (Laws 2017, Chapter 306) included a one-time appropriation of \$30.0 million from the fund in each of FY 2018 and FY 2019 for local highway construction.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	59,950,800	30,400,800

SUMMARY OF FUNDS	FY 2017 Actual	FY 2018 Estimate
<b>Highway User Revenue Fund (DTA3113/A.R.S. § 28-6533)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	602,200	656,100
<b>Year-End Fund Balance</b>	119,942,700	121,648,900
<b>IGA and ISA Fund (DTA2500/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Monies received through intergovernmental and interagency service agreements.		
<b>Purpose of Fund:</b> To execute intergovernmental and interagency service agreements. Primarily for ISA with DEQ for administration of Underground Storage Tank funds.		
<b>Funds Expended</b>	171,700	240,000
<b>Year-End Fund Balance</b>	66,600	66,600
<b>Ignition Interlock Device Fund (DTA9997/A.R.S. § 28-1469)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> An ignition interlock installation fee charged by service providers and then remitted to ADOT.		
<b>Purpose of Fund:</b> Established by Laws 2017, Chapter 331, the fund provides for administration of ADOT's Ignition Interlock Device program, including compliance measures, audits and investigating complaints related to devices and providers.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>Arizona International Development Authority Fund (DTA1994/A.R.S. § 41-4505 [Repealed])</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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).		
<b>Purpose of Fund:</b> 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. Laws 2016, Chapter 372 repealed the Arizona International Development Authority Fund.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>Local Agency Deposits Fund (DTA3701/A.R.S. § 28-363)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Monies received from local jurisdictions.		
<b>Purpose of Fund:</b> 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. <i>(See the ADOT Capital Outlay Budget section for capital expenditures not shown here.)</i>		
<b>Funds Expended</b>	5,459,300	5,459,300
<b>Year-End Fund Balance</b>	13,532,500	12,532,500
<b>Maricopa Regional Area Road Fund (DTA2029/A.R.S. § 28-6302)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> 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. <i>(See the ADOT Capital Outlay Budget section for capital expenditures not shown here.)</i>		
<b>Funds Expended</b>	42,102,000	42,102,000
<b>Year-End Fund Balance</b>	412,379,600	259,631,000

SUMMARY OF FUNDS	FY 2017 Actual	FY 2018 Estimate
<b>Motor Carrier Safety Revolving Fund (DTA2380/A.R.S. § 28-5203)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> To carry out the provisions of the chapter. DPS conducts investigations, the Motor Vehicle Division administers hearings, and the Attorney General enforces civil penalties.		
<b>Funds Expended</b>	36,600	27,000
<b>Year-End Fund Balance</b>	21,800	800
<b>Motor Vehicle Liability Insurance Enforcement Fund (DTA2285/A.R.S. § 28-4151)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> For the department to enforce mandatory motor vehicle liability insurance laws. The FY 2017 General Appropriation Act transferred \$1,100,000 from the Motor Vehicle Liability Insurance Enforcement Fund to the Safety Enforcement and Transportation Infrastructure Fund (SETIF) to resolve a SETIF shortfall.		
<b>Funds Expended</b>	1,295,200	1,332,400
<b>Year-End Fund Balance</b>	5,543,000	7,555,600
<b>Rental Tax and Bond Deposit Fund (DTA3737/A.R.S. § 28-371)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Cash deposits from motor carrier and use fuel taxpayers, and portions of rent that the department collects.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	1,661,400	0
<b>Safety Enforcement and Transportation Infrastructure Fund - Department of Transportation Subaccount (DTA2108/A.R.S. § 28-6547)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Fees for commercial vehicle permits collected at southern ports of entry on the border with Mexico and interest earnings.		
<b>Purpose of Fund:</b> 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. The FY 2017 Government Budget Reconciliation Bill (Laws 2016, Chapter 121) creates the ADOT subaccount and the DPS subaccount within the fund. A total of 55% of SETIF revenues will be deposited into the ADOT subaccount and 45% in the DPS subaccount.		
<b>Funds Expended</b>	1,832,600	1,897,400
<b>Year-End Fund Balance*</b>	284,900	(84,500)
<b>Shared Location and Advertising Agreements Expense Fund (DTA2414/A.R.S. § 28-409)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	4,000	10,000
<b>Year-End Fund Balance</b>	87,500	86,000

SUMMARY OF FUNDS	FY 2017 Actual	FY 2018 Estimate
<b>State Aviation Fund (DTA2005/A.R.S. § 28-8202)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	1,573,500	2,103,100
<b>Year-End Fund Balance*</b>	6,588,900	(1,437,000)
<b>State Highway Fund (DTA2030/A.R.S. § 28-6991)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> 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>		
<b>Funds Expended</b>	335,181,400	361,130,800
<b>Year-End Fund Balance</b>	636,512,600	663,346,200
<b>Statewide Employee Recognition Gifts/Donations Fund (DTA2449/A.R.S. § 35-149)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Gifts and donations from public and private entities.		
<b>Purpose of Fund:</b> For employee recognition programs that recognize and award the performance, achievement, longevity, or major life event of department employees.		
<b>Funds Expended</b>	6,300	13,000
<b>Year-End Fund Balance</b>	26,600	21,100
<b>Statewide Special Plates Fund (DTA2650/A.R.S. § 35-131)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	2,038,800	2,597,000
<b>Year-End Fund Balance</b>	1,235,800	1,246,300
<b>Transportation Department Equipment Fund (DTA2071/A.R.S. § 28-7006)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Equipment rental, sale at auction, insurance recoveries, donations, interest earnings, and monies appropriated by the Legislature (for purchase, repairs and maintenance).		
<b>Purpose of Fund:</b> For maintenance, service or repair of equipment and consumable material including administrative expenses.		
<b>Funds Expended</b>	16,888,200	18,726,300
<b>Year-End Fund Balance</b>	1,017,100	737,500
<b>Underground Storage Tank Revolving Fund (DTA3728/A.R.S. § 28-6007)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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).		
<b>Purpose of Fund:</b> For department administrative expenses. The department retains only administrative costs as determined by an intergovernmental agreement between ADOT and DEQ.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	989,300	0

SUMMARY OF FUNDS	FY 2017 Actual	FY 2018 Estimate
<b>Vehicle Inspection and Certificate of Title Enforcement Fund</b> (DTA2272/A.R.S. § 28-2012)		<b>Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> 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. Laws 2016, Chapter 263 and Laws 2016, Chapter 276 modified the fund's title from the Vehicle Inspection and Title Enforcement Fund to its current title.		
<b>Funds Expended</b>	1,435,000	1,464,400
<b>Year-End Fund Balance</b>	2,181,700	3,098,300

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