

Department of Transportation

	FY 2023 ACTUAL	FY 2024 ESTIMATE	FY 2025 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	4,554.0	4,554.0	4,554.0 ^{1/}
Personal Services	122,787,700	136,110,300	136,110,300
Employee Related Expenditures	56,284,500	61,656,800	61,656,800
Professional and Outside Services	12,282,800	10,858,900	10,858,900
Travel - In State	648,700	464,900	464,900
Travel - Out of State	200,500	157,100	157,100
Other Operating Expenditures	40,508,000	41,052,300	39,734,600
Equipment	4,105,700	3,716,000	3,014,300
OPERATING SUBTOTAL	236,817,900	254,016,300	251,996,900
SPECIAL LINE ITEMS			
ADOT Fleet Vehicles and Heavy Equipment Maintenance	20,964,200	25,209,000	25,209,000
ADOT Fleet Vehicle and Heavy Equipment Replacement	16,818,000	22,400,000	22,400,000 ^{2/}
Attorney General Legal Services	3,623,700	3,623,700	3,623,700 ^{3/}
Authorized Third Parties	1,896,400	2,194,000	2,194,000
Driver License Security Software	1,071,400	0	0
Driver Safety and Livestock Control	275,500	800,000	800,000
Highway Damage Recovery Account	7,988,600	8,000,800	8,000,800
Highway Maintenance	168,295,200	160,760,600	160,760,600 ^{4/5/}
One-Time Fleet Fuel Inflation Funding	0	2,337,900	0
Preventive Surface Treatments	29,005,800	36,142,000	36,142,000 ^{6/}
Radio Lifecycle Replacement	0	1,656,100	1,656,100
Spaying and Neutering of Animals Fund Deposit	0	550,000	0
State Fleet Operations	22,731,600	30,454,400	23,662,600
State Fleet Vehicle Replacement	9,380,900	25,000,000	6,334,800
Statewide Litter Removal	0	3,106,800	3,106,800
AGENCY TOTAL	518,869,200	576,251,600	545,887,300 ^{7/-11/}
FUND SOURCES			
General Fund	0	550,000	0
<u>Other Appropriated Funds</u>			
Air Quality Fund	254,000	1,127,700	877,700
Department Fleet Operations Fund	20,964,200	25,209,000	25,209,000
Highway Damage Recovery Account	7,988,600	8,000,800	8,000,800
Highway User Revenue Fund	764,900	898,600	898,600
Ignition Interlock Device Fund	331,300	360,700	360,700
Motor Vehicle Liability Insurance Enforcement Fund	4,187,400	1,582,300	1,582,300
State Aviation Fund	1,992,000	2,261,600	2,261,600
State Fleet Operations Fund	22,731,600	30,454,400	23,662,600
State Highway Fund	448,967,600	479,159,900	475,052,600
State Vehicle Replacement Fund	9,380,900	25,000,000	6,334,800
Vehicle Inspection and Certificate of Title Enforcement Fund	1,306,700	1,646,600	1,646,600
SUBTOTAL - Other Appropriated Funds	518,869,200	575,701,600	545,887,300
SUBTOTAL - Appropriated Funds	518,869,200	576,251,600	545,887,300
Other Non-Appropriated Funds	28,553,500	27,819,400	27,819,400
Federal Funds	43,836,500	22,430,800	22,430,800
TOTAL - ALL SOURCES	591,259,200	626,501,800	596,137,500

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

FOOTNOTES

- 1/ Includes 1,152 OF FTE Positions funded from Special Line Items in FY 2025.
- 2/ Expenditures made by the department of transportation for ADOT fleet vehicle and heavy equipment replacement shall be funded only from the ADOT fleet vehicle and heavy equipment replacement line item. Monies in the operating lump sum appropriation or other line items intended for this purpose shall be transferred to the ADOT fleet vehicle and heavy equipment replacement line item before expenditure. (General Appropriation Act footnote)
- 3/ 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. (General Appropriation Act footnote)
- 4/ Of the total amount appropriated, \$160,760,600 in fiscal year 2024-2025 for highway maintenance is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except that all unexpended and unencumbered monies of the appropriation revert to the state highway fund established by section 28-6991, Arizona Revised Statutes, on August 31, 2025. (General Appropriation Act footnote)
- 5/ In accordance with section 35-142.01, Arizona Revised Statutes, 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 section 28-6994, Arizona Revised Statutes. (General Appropriation Act footnote)
- 6/ The amount appropriated to the preventive surface treatments line item is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, except that all unexpended and unencumbered monies of the appropriation revert to the state highway fund established by section 28-6991, Arizona Revised Statutes, on August 31, 2025. (General Appropriation Act footnote)
- 7/ Of the total amount appropriated, the department of transportation shall pay \$15,981,300 in fiscal year 2024-2025 from all funds to the department of administration for its risk management payment. (General Appropriation Act footnote)
- 8/ 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, 2025 for fiscal year 2024-2025. (General Appropriation Act footnote)
- 9/ On or before February 1, 2025, the Arizona strategic enterprise technology office shall submit, on behalf of the department of transportation, an annual progress report to the joint legislative budget committee staff. The annual report shall provide updated plans for spending the department-dedicated portion of the authorized third-party electronic service partner's fee retention on the motor vehicle modernization project in fiscal year 2024-2025, including any amounts for stabilization, maintenance, ongoing operations, support and enhancements for the motor vehicle modernization solution, maintenance of legacy mainframe processing and support capability, and other system projects outside the scope of the motor vehicle modernization project. (General Appropriation Act footnote)
- 10/ On or before August 1, 2024, the department of transportation shall report to the director of the joint legislative budget committee the state's share of fees retained by the service Arizona vendor in the prior fiscal year. The report shall include the amount spent by the service Arizona vendor on behalf of this state in the prior fiscal year and a list of the projects funded with those monies. (General Appropriation Act footnote)
- 11/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

Operating Budget

The Baseline includes \$251,996,900 and 3,402 FTE Positions in FY 2025 for the operating budget. These amounts consist of:

	<u>FY 2025</u>
Air Quality Fund	\$877,700
Highway User Revenue Fund	657,800
Ignition Interlock Device Fund	360,700
Motor Vehicle Liability Insurance Enforcement Fund	1,480,000
State Aviation Fund	2,261,600

State Highway Fund	244,805,700
Vehicle Inspection and Certificate of Title Enforcement Fund	1,553,400

Adjustments are as follows:

Remove One-Time Computer Aided Dispatch System Replacement Funding

The Baseline includes a decrease of \$(336,800) from the State Highway Fund in FY 2025 to remove one-time funding to replace the department's existing Computer-Aided Dispatch (CAD) system.

Remove One-Time MVD Paper Materials Cost Increase

The Baseline includes a decrease of \$(701,700) from the State Highway Fund in FY 2025 to remove one-time funding to cover the increased cost of paper materials used by the MVD. The department states that inflationary pressures, supply chain issues, and current contracts had temporarily increased the price of paper materials.

Remove One-Time MVD Security System

The Baseline includes a decrease of \$(730,900) from the State Highway Fund in FY 2025 to remove one-time funding to replace the security systems at 10 MVD offices throughout the state. The funding covers the second phase of a 5-phase project intended to replace the security systems at all 42 offices.

Remove One-Time Passenger Rail Service Operating Funding

The Baseline includes a decrease of \$(250,000) from the Air Quality Fund in FY 2025 to remove one-time funding for operating costs associated with a study for a passenger rail service from Phoenix to Tucson.

ADOT Fleet Vehicles and Heavy Equipment Maintenance

The Baseline includes \$25,209,000 and 200 FTE Positions from the Department Fleet Operations Fund in FY 2025 for Vehicles and Heavy Equipment Maintenance. These amounts are unchanged from FY 2024.

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

ADOT Fleet Vehicle and Heavy Equipment Replacement

The Baseline includes \$22,400,000 from the State Highway Fund in FY 2025 for Vehicle and Heavy Equipment Replacement. This amount is unchanged from FY 2024.

This line item funds the financing of replacements for the department's Vehicle and Heavy Equipment fleet through 5-year third-party lease agreements. A General Appropriation Act footnote requires vehicle and heavy equipment replacement to be funded only from this line item.

Attorney General Legal Services

The Baseline includes \$3,623,700 from the State Highway Fund in FY 2025 for Attorney General Legal Services. This amount is unchanged from FY 2024.

This line item funds the department's interagency services agreement with 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.

Authorized Third Parties

The Baseline includes \$2,194,000 and 20 FTE Positions in FY 2025 for Authorized Third Parties. These amounts consist of:

Highway User Revenue Fund	240,800
Motor Vehicle Liability Insurance Enforcement Fund	102,300
State Highway Fund	1,757,700
Vehicle Inspection and Certificate of Title Enforcement Fund	93,200

These amounts are unchanged from FY 2024.

This line item funds the oversight of authorized third-parties (ATPs). The oversight includes training and educating ATPs, reviewing ATP transactions for accuracy, and evaluating ATP applications. ATPs offer services for vehicle titles, registrations, and driver licenses, either through brick-and-mortar locations or through the online ServiceArizona portal.

While this line item funds oversight of the department's ATP program, it is not representative of the program's full cost to the state. Pursuant to statute, ATPs retain a portion of each fee for its transactions. In FY 2023, ATPs retained \$27,023,000 in fees that otherwise would have been deposited to the Highway User Revenue Fund (HURF) and \$37,196,000 in fees that otherwise would have been deposited to the State Highway Fund (SHF). (Please see Table 6 in the ADOT Capital Outlay section for more detail.)

Driver Safety and Livestock Control

The Baseline includes \$800,000 from the State Highway Fund in FY 2025 for Driver Safety and Livestock Control. This amount is unchanged from FY 2024.

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 cattle guard grills across the state. The grills are designed to discourage livestock passage while not impeding road users.

Highway Damage Recovery Account

The Baseline includes \$8,000,800 from the Highway Damage Recovery Account in FY 2025 for the Highway Damage Recovery Account. This amount is unchanged from FY 2024.

This line item 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 for highway maintenance that would otherwise have been deferred.

Highway Maintenance

The Baseline includes \$160,760,600 and 932 FTE Positions from the State Highway Fund in FY 2025 for Highway Maintenance. These amounts are unchanged from FY 2024.

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 \$160,760,600 included for Highway Maintenance, the Proposition 400 Maricopa County half-cent sales tax makes another \$14,020,300 available in FY 2025 for landscape maintenance, trash pick-up, sweeping, and litter education from the non-appropriated Maricopa Regional Area Road Fund.

One-Time Fleet Fuel Inflation Funding

The Baseline includes no funding in FY 2025 for One-Time Fleet Fuel Inflation Funding. Adjustments are as follows:

Remove One-Time Fleet Fuel Inflation Funding

The Baseline includes a decrease of \$(2,337,900) from the State Highway Fund in FY 2025 to remove one-time funding for inflationary cost increases in fuel.

Preventive Surface Treatments

The Baseline includes \$36,142,000 from the State Highway Fund in FY 2025 for Preventive Surface Treatments. This amount is unchanged from FY 2024.

This line item funds the proactive treatment of road surfaces to maintain the useful life of roads and avoid more expensive surface replacement/repair costs. The

treatments consist of fog seals, or spraying liquid asphalt, and chip seals, or laying down gravel layers.

In addition to the \$36,142,000 included for Preventive Surface Treatments, ADOT has \$15,088,000 in Federal Funds available for treatments.

Radio Lifecycle Replacement

The Baseline includes \$1,656,100 from the State Highway Fund in FY 2025 for Radio Lifecycle Replacement. This amount is unchanged from FY 2024.

The line item provides funding to replace and upgrade the department's radios with tri-band radios capable of communication across both analog and digital systems. The funding will replace about 150 radios of the approximately 2,500 total radios annually.

Spaying and Neutering of Animals Fund Deposit

The Baseline includes no funding in FY 2025 for Spaying and Neutering of Animals Fund Deposit. Adjustments are as follows:

Remove One-Time Spaying and Neutering of Animals Fund Deposit

The Baseline includes a decrease of \$(550,000) from the General Fund in FY 2025 to remove one-time funding for a deposit into the Spaying and Neutering of Animals Fund.

The line item provides one-time additional support into the Spaying and Neutering of Animals Fund, which is a charitable fund established under the Arizona Pet Friendly special license plate. The fund receives monies from Arizona residents that pay a \$25 fee for the special license plate. Of the \$25 fee, \$17 is deposited into the Spaying and Neutering of Animals Fund and the remaining \$8 goes into the State Highway Fund.

State Fleet Operations

The Baseline includes \$23,662,600 from the State Fleet Operations Fund in FY 2025 for State Fleet Operations. Adjustments are as follows:

Remove One-Time State Fleet Maintenance Adjustment

The Baseline includes a decrease of \$(6,791,800) from the State Fleet Operations Fund in FY 2025 to remove one-time funding for state fleet maintenance costs. The department received increased appropriation authority to expend the increased maintenance charges to agencies within the state fleet. The department performs regular operational and maintenance functions on all vehicles in

the state fleet such as repairs, insurance costs, GPS costs, and fuel services. The increased maintenance charges enable ADOT to perform these functions.

The line item funds the provision and oversight of daily and long-term vehicle rentals to state agencies that do not operate their own vehicle fleets. *(For more detail on state fleet operations please see State Motor Vehicle Fleet Transfer in the Other Issues section of the FY 2022 Appropriations Report.)*

State Fleet Vehicle Replacement

The Baseline includes \$6,334,800 from the State Vehicle Replacement Fund in FY 2025 for State Fleet Vehicle Replacement. Adjustments are as follows:

Remove One-Time State Fleet Vehicle Replacement Adjustment

The Baseline includes a decrease of \$(18,665,200) from the State Vehicle Replacement Fund in FY 2025 to remove one-time funding for state fleet vehicle replacement costs. The department intends to utilize the funding to replace 206 vehicles within the state fleet. In addition, the FY 2022 and FY 2023 budgets funded 230 new vehicles additions within the state fleet. Although ADOT had already received the funding from agencies for these new vehicle purchases and deposited those monies into the State Vehicle Replacement Fund, ADOT had yet to purchase all the new vehicles due to supply chain issues. The department needed an increase in appropriation authority to purchase new vehicle additions funded from the prior year budgets.

The line item funds the replacement of daily and long-term vehicle rentals to state agencies that do not operate their own vehicle fleets along with the purchase of newly-authorized vehicles.

Statewide Litter Removal

The Baseline includes \$3,106,800 from the State Highway Fund in FY 2025 for Statewide Litter Removal. This amount is unchanged from FY 2024.

The line item funds a monthly litter removal service on select interstate highways and routes outside of Maricopa County that currently do not receive regular litter removal services. Maricopa County currently has a dedicated funding stream of revenue from the half-cent sales tax for litter removal services.

Other Issues

Auditor General Report

In September 2023, the Auditor General published an ADOT performance audit and sunset review that included recommendations for improvements to the department's MVD system to address fraud and security risk incidents and the department's transportation project cost estimate process.

The audit found the department's MVD third-party quality assurance process does not currently hold third parties to the same standards as MVD employees performing the same services. Consequently, the audit recommended the MVD align its third-party quality assurance process with their quality assurance process for MVD field offices, including conducting a staffing and workload analysis, and ensuring sufficient staffing for third-party oversight.

In addition, the audit found the department's initial cost estimates for transportation projects found within the ADOT 5-Year Construction Program do not always include inflation, which cause some projects' actual costs to be higher than estimated. The audit recommended the department develop a cost-estimation tool, which includes an inflationary factor, to standardize transportation project cost estimates.

SUMMARY OF FUNDS	FY 2023 Actual	FY 2024 Estimate
Abandoned Vehicle Administration Fund (DTA2150/A.R.S. § 28-4804)		Non-Appropriated
Source of Revenue: 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.		
Purpose of Fund: 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 State Highway Fund and General 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.		
Funds Expended	865,500	1,000,000
Year-End Fund Balance	473,000	647,100
Air Quality Fund (DTA2226/A.R.S. § 49-551)		Appropriated
Source of Revenue: An annual \$1.50 air quality fee collected for each vehicle at the time of registration.		
Purpose of Fund: Implementation of programs that reduce emissions and improve air quality.		
Funds Expended	254,000	1,127,700
Year-End Fund Balance	166,800	166,800
Arizona Highways Magazine Fund (DTA2031/A.R.S. § 28-7315)		Non-Appropriated
Source of Revenue: Sales of subscriptions, maps, pamphlets, and other materials, Arizona Highways special plate donations, and interest earnings. The fund can also consist of monies appropriated by the Legislature from the State Highway Fund, not to exceed \$500,000 annually. There are no current appropriations.		
Purpose of Fund: For production and sales of subscriptions, maps, pamphlets, etc. Remaining balances in this revolving fund at the end of a fiscal year shall not revert to the State General Fund or State Highway Fund and expenditures are exempt from statutory allotment provisions.		
Funds Expended	5,294,300	5,830,300
Year-End Fund Balance	4,288,200	3,590,900
Cash Deposits Fund (DTA2266/A.R.S. § 28-363)		Non-Appropriated
Source of Revenue: Deposits from individuals either bidding at auction on department property or renting department property.		
Purpose of Fund: To hold deposits from individuals bidding on excess land and property for sale at auction, which are either applied against their purchase price or are returned to the individual if their bid is unsuccessful. Also, to hold deposits from individuals who rent department property. Their money is either refunded at the end of their tenancy or is used to offset repairs, if needed.		
Funds Expended	0	0
Year-End Fund Balance	1,411,000	0
Coronavirus State and Local Fiscal Recovery Fund (DTA2985/U.S. P.L. 117-2)		Federal Funds
Source of Revenue: Federal monies appropriated in the American Rescue Plan Act (P.L. 117-2).		
Purpose of Fund: To provide emergency support to households, small businesses, nonprofits, workers performing essential work, and certain industries negatively impacted by the COVID-19 pandemic. To extend government services that received a reduction in revenue as a result of the COVID-19 pandemic. To make investments in water, sewer, and broadband infrastructure.		
Funds Expended	23,942,200	0
Year-End Fund Balance	9,662,200	10,000,000
Department Fleet Operations Fund (DTA2071/A.R.S. § 28-7006)		Appropriated
Source of Revenue: Equipment rental, sale at auction, insurance recoveries, donations, interest earnings, and monies appropriated by the Legislature (for purchase, repairs and maintenance).		
Purpose of Fund: For maintenance, service or repair of equipment and consumable material including administrative expenses.		
Funds Expended	20,964,200	25,209,000
Year-End Fund Balance	5,122,100	5,400,400

SUMMARY OF FUNDS	FY 2023 Actual	FY 2024 Estimate
Economic Strength Project Fund (DTA2244/A.R.S. § 28-7282)		Non-Appropriated
Source of Revenue: The fund receives \$1,000,000 each June 15 from the Highway User Revenue Fund and interest from investment of inactive balances.		
Purpose of Fund: For "economic strength" highway projects recommended by the Arizona Commerce Authority and approved by the State Transportation Board. These are projects that will retain or increase a significant number of jobs, lead to significant capital investment, or make a significant contribution to the economy of this state or within a local authority. Monies remaining in the Economic Strength Project Fund at the end of a fiscal year do not revert to the General Fund. Figures exclude expenditures for capital highway construction projects. (See the ADOT Capital Outlay Budget section for capital expenditures not shown here.)		
Funds Expended	0	0
Year-End Fund Balance	3,817,400	3,927,400
Federal Grants (DTA2097/A.R.S. § 28-363)		Federal Funds
Source of Revenue: Federal grants not part of the federal highway aid program.		
Purpose of Fund: For federal programs not part of the federal aid highway program including 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. (See the ADOT Capital Outlay Budget section for capital expenditures not shown here.)		
Funds Expended	19,894,300	22,430,800
Year-End Fund Balance	3,985,300	3,985,300
Highway Damage Recovery Account (DTA2044/A.R.S. § 28-6994)		Appropriated
Source of Revenue: Reimbursements for highway damage repair expenses paid by liable third parties.		
Purpose of Fund: For maintenance of state highways.		
Funds Expended	7,988,600	8,000,800
Year-End Fund Balance	1,329,600	1,748,800
Highway Expansion and Extension Loan Program Fund (DTA2417/A.R.S. § 28-7674)		Non-Appropriated
Source of Revenue: The fund consists of monies appropriated by the Legislature; monies received from the federal government, state agencies, political subdivisions and Indian tribes; interest; and public or private gifts, grants or donations.		
Purpose of Fund: To create a state infrastructure bank under the Federal State Infrastructure Bank Act to provide financial assistance to political subdivisions, Indian tribes and state agencies for eligible transportation projects. The fund makes loans to ADOT, cities, and other entities to accelerate highway construction projects. The loans are repaid from future programmed funds for those projects. The fund may be used to pay costs to administer the fund and shall pay costs of an annual financial audit of the fund. In the past, the fund has been used for local highway construction.		
Funds Expended	0	0
Year-End Fund Balance	3,800	3,900
Highway User Revenue Fund (DTA3113/A.R.S. § 28-6533)		Appropriated
Source of Revenue: Transportation-related licenses, taxes, fees, penalties and interest such as the motor vehicle fuel tax, vehicle license tax, vehicle registration, driver's license, interest earnings, and others.		
Purpose of Fund: For various highway related purposes in the state, including distributions to the State Highway Fund which is the primary source for the department's operating budget and to political subdivisions for highway purposes. Figures exclude expenditures for capital highway construction projects. (See the ADOT Capital Outlay Budget section for capital expenditures not shown here.)		
Funds Expended	764,900	898,600
Year-End Fund Balance	164,253,700	165,400,900
IGA and ISA Fund (DTA2500/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Monies received through intergovernmental and interagency service agreements.		
Purpose of Fund: To execute intergovernmental and interagency service agreements. Primarily for ISA with DEQ for administration of Underground Storage Tank funds but also for its equipment services interagency agreements.		
Funds Expended	2,935,900	333,200
Year-End Fund Balance	4,306,800	4,306,800

SUMMARY OF FUNDS	FY 2023 Actual	FY 2024 Estimate
Ignition Interlock Device Fund (DTA2208/A.R.S. § 28-1469)		Appropriated
Source of Revenue: An ignition interlock installation fee charged by service providers and then remitted to ADOT.		
Purpose of Fund: To administer ADOT's Ignition Interlock Device program, including establishing compliance measures, audits and investigating complaints related to devices and providers.		
Funds Expended	331,300	360,700
Year-End Fund Balance	118,500	85,600
Local Agency Deposits Fund (DTA3701/A.R.S. § 28-363)		Non-Appropriated
Source of Revenue: Monies received from local jurisdictions.		
Purpose of Fund: To pay for locally sponsored secondary road construction projects. Any money left after the project is closed out is returned to the local entity. Figures exclude expenditures for capital highway construction projects. (See the ADOT Capital Outlay Budget section for capital expenditures not shown here.)		
Funds Expended	0	0
Year-End Fund Balance	46,032,600	29,135,800
Maricopa Regional Area Road Fund (DTA2029/A.R.S. § 28-6302)		Non-Appropriated
Source of Revenue: The fund consists of all transportation excise taxes collected pursuant to A.R.S. § 42-1482 and A.R.S. § 42-1482.01 that are designated for deposit in the Regional Area Road Fund in Maricopa County, plus proceeds from the sale of bonds, rents, and interest earnings.		
Purpose of Fund: For bond related expenses and for the design, purchase of right-of-way or construction of controlled access highways which are included in the county's regional transportation plan and accepted into the state highway system. Figures exclude expenditures for capital highway construction projects. (See the ADOT Capital Outlay Budget section for capital expenditures not shown here.)		
Funds Expended	13,446,600	13,745,400
Year-End Fund Balance	760,049,700	421,636,100
Motor Carrier Safety Revolving Fund (DTA2380/A.R.S. § 28-5203)		Non-Appropriated
Source of Revenue: The fund consists of monies appropriated by the Legislature; fines; forfeitures; fees and taxes applied to all manufacturers, shippers, motor carriers and drivers who transport or cause the transportation of hazardous material; and monies received from private grants or donations.		
Purpose of Fund: To carry out the provisions of A.R.S. Title 28, Chapter 14 (motor carrier safety). DPS conducts investigations, the Motor Vehicle Division administers hearings, and the Attorney General enforces civil penalties.		
Funds Expended	500	0
Year-End Fund Balance	0	0
Motor Vehicle Dealer Enforcement Fund (DTA2609/A.R.S. § 28-4504)		Appropriated
Source of Revenue: Civil penalties between \$1,000 and \$3,000 for licensed and unlicensed motor vehicle dealer violations. Any unexpended and unencumbered monies in the fund over \$250,000 are deposited to the State Highway Fund.		
Purpose of Fund: Established by Laws 2018, Chapter 308, the fund is used to enforce the provisions of A.R.S. Title 28, Chapter 10 (vehicle dealers, automotive recyclers and transporters).		
Funds Expended	0	0
Year-End Fund Balance	359,100	354,000
Motor Vehicle Liability Insurance Enforcement Fund (DTA2285/A.R.S. § 28-4151)		Appropriated
Source of Revenue: Fees received by the department pursuant to A.R.S. Title 28, Chapter 9, Article 4 (mandatory motor vehicle insurance), such as fees to reinstate drivers' licenses and vehicle registrations canceled due to lack of insurance.		
Purpose of Fund: To enforce mandatory motor vehicle liability insurance laws.		
Funds Expended	4,187,400	1,582,300
Year-End Fund Balance	2,702,700	2,658,400

SUMMARY OF FUNDS	FY 2023 Actual	FY 2024 Estimate
Rental Tax and Bond Deposit Fund (DTA3737/A.R.S. § 28-371)		Non-Appropriated
Source of Revenue: Cash deposits from motor carrier and use fuel taxpayers, and portions of rent that the department collects.		
Purpose of Fund: To hold cash deposits from motor carrier and use fuel taxpayers who choose to make cash deposits instead of providing surety bonds to guarantee their fee payments. Any money remaining in a taxpayer's account would be returned to the taxpayer. To hold the county property tax portion of rent on department properties, which is forwarded to the appropriate county tax office. Also, to hold the privilege tax portion of rent on the department's commercial properties, which is forwarded to the Department of Revenue.		
Funds Expended	0	0
Year-End Fund Balance	549,300	0
Shared Location and Advertising Agreements Expense Fund (DTA2414/A.R.S. § 28-409)		Non-Appropriated
Source of Revenue: The fund consists of monies received from agreements with public and private entities for services located in department offices or to advertise those entities' goods and services.		
Purpose of Fund: To partially offset the department's cost of providing a location or advertising. The fund is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.		
Funds Expended	0	0
Year-End Fund Balance	75,100	75,100
State Aviation Fund (DTA2005/A.R.S. § 28-8202)		Appropriated
Source of Revenue: Flight property tax, aircraft registration fees, license taxes, fuel taxes, the sale of abandoned aircraft, receipts from airports operated by the department, and interest earnings.		
Purpose of Fund: For the administration of aviation laws, the operation and maintenance of state-owned airports, and capital projects at publicly-owned and operated airports of political subdivisions, which includes Indian reservations. Figures exclude expenditures for capital aviation construction projects. (See the ADOT Capital Outlay Budget section for capital expenditures not shown here.)		
Funds Expended	1,992,000	2,261,600
Year-End Fund Balance	103,559,900	71,656,900
State Fleet Operations Fund (DTA9998/A.R.S § 28-475)		Appropriated
Source of Revenue: Fees received from agencies within the ADOT state fleet and from legislative appropriations.		
Purpose of Fund: To operate the ADOT state fleet.		
Funds Expended	22,731,600	30,454,400
Year-End Fund Balance	2,831,100	2,831,100
State Highway Fund (DTA2030/A.R.S. § 28-6991)		Appropriated
Source of Revenue: Monies distributed from the Highway User Revenue Fund, certain vehicle fees which are deposited directly to the State Highway Fund, interest earnings, appropriations by the Legislature, donations, fees for commercial vehicle permits collected at southern ports of entry on the border with Mexico and interest earnings.		
Purpose of Fund: For the department's operating budget, the acquisition of right-of-way, construction and maintenance of state highways and roads, and other highway related projects. Also, to enforce vehicle safety requirements by DPS and ADOT. The expended funds only reflect operating expenses. (Please see the Highway User Revenue Fund Distribution chart in the ADOT Capital section for non-operating expenditures.)		
Funds Expended	448,967,600	479,159,900
Year-End Fund Balance	2,010,412,200	1,820,947,800

SUMMARY OF FUNDS	FY 2023 Actual	FY 2024 Estimate
State Match Advantage for Rural Transportation Fund (DTA9901/A.R.S. § 28-339)		Non-Appropriated
Source of Revenue: Legislative appropriations, gifts, grants, and donations. Laws 2022, Chapter 309 appropriates \$50 million from the State Highway Fund into the State Match Advantage for Rural Transportation (SMART) Fund. Laws 2023, Chapter 135 appropriates \$12.5 million from the General Fund into the SMART Fund.		
Purpose of Fund: To reimburse up to 50% of local government costs associated with developing and submitting an application for a federal grant, as a match for a federal grant, and to reimburse design and other engineering services that meet federal standards for projects eligible for a federal grant. Expenditures from the fund deposits are not included to avoid double counting appropriated expenditures.		
Funds Expended	0	0
Year-End Fund Balance	51,245,200	62,039,900
State Vehicle Replacement Fund (DTA9997/A.R.S. § 28-476)		Appropriated
Source of Revenue: Fees received from agencies within the ADOT state fleet, proceeds from the sale of surplus motor vehicles, and from legislative appropriations.		
Purpose of Fund: To replace vehicles within the ADOT state fleet.		
Funds Expended	9,380,900	25,000,000
Year-End Fund Balance	6,188,700	(5,397,200)
Statewide Employee Recognition Gifts/Donations Fund (DTA2449/A.R.S. § 35-149)		Non-Appropriated
Source of Revenue: Gifts and donations from public and private entities.		
Purpose of Fund: For employee recognition programs that recognize and award the performance, achievement, longevity, or major life event of department employees.		
Funds Expended	39,100	13,000
Year-End Fund Balance	21,500	41,200
Statewide Special Plates Fund (DTA2650/A.R.S. § 35-131)		Non-Appropriated
Source of Revenue: A deposit of \$17 of each \$25 original and annual renewal of the special plate fees, and interest earnings. The remaining \$8 is deposited to the State Highway Fund for special plate administration.		
Purpose of Fund: To issue special plates. Up to 10% of annual deposits may be used by ADOT to administer the fund. ADOT is to annually allocate fund monies, excluding administrative fees, through a statutorily designated entity.		
Funds Expended	5,971,600	6,897,500
Year-End Fund Balance	2,574,600	3,032,100
Vehicle Inspection and Certificate of Title Enforcement Fund (DTA2272/A.R.S. § 28-2012)		Appropriated
Source of Revenue: Fees of \$20 and \$50 for performing more detailed level 2 and level 3 inspections of vehicle identification numbers, before issuing restored salvage titles on repaired salvage and similar vehicles.		
Purpose of Fund: To defray the cost of investigations involving certificates of title, licensing fraud, registration enforcement and other enforcement related issues. A portion of the revenues are transferred to DPS for investigations concerning automobile theft.		
Funds Expended	1,306,700	1,646,600
Year-End Fund Balance	650,100	416,900