

Department of Transportation

	FY 2024 ACTUAL	FY 2025 ESTIMATE	FY 2026 APPROVED
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	4,554.0	4,571.0	4,581.0
Personal Services	133,998,500	140,000,300	140,726,200
Employee Related Expenditures	56,393,600	66,774,200	70,233,300
Professional and Outside Services	10,128,200	10,649,500	14,289,300
Travel - In State	785,800	764,200	764,200
Travel - Out of State	239,500	228,900	228,900
Other Operating Expenditures	34,195,300	34,723,700	42,450,600
Equipment	4,289,600	2,827,500	2,541,600
OPERATING SUBTOTAL	240,030,500	255,968,300	271,234,100 ^{1/}
SPECIAL LINE ITEMS			
ADOT Fleet Vehicles and Heavy Equipment Maintenance	22,687,000	26,522,700	26,814,600
ADOT Fleet Vehicles and Heavy Equipment Maintenance Contingency	0	1,000,000	1,000,000
ADOT Fleet Vehicle and Heavy Equipment Replacement	19,854,800	22,400,000	22,400,000 ^{2/}
Attorney General Legal Services	3,940,400	3,623,700	3,940,400 ^{3/}
Authorized Third Parties	2,002,900	2,264,400	2,252,700
Construction Management System Replacement	0	1,885,000	6,272,000
Driver Safety and Livestock Control	799,600	800,000	800,000
Highway Damage Recovery Account	6,423,900	7,999,300	7,999,000
Highway Maintenance	143,304,200	165,300,900	182,913,000 ^{4/5/}
One-Time Fleet Fuel Inflation Funding	2,337,900	3,297,900	0
Preventive Surface Treatments	21,589,400	36,142,000	36,142,000 ^{6/}
Radio Lifecycle Replacement	1,207,200	1,656,100	1,656,100
Spaying and Neutering of Animals Fund Deposit	550,000	0	500,000
State Fleet Operations	23,090,700	29,146,900	32,421,400
State Fleet Vehicle Replacement	13,967,100	11,370,000	15,351,600
Statewide Litter Removal	2,842,600	3,106,800	3,106,800
AGENCY TOTAL	504,628,200	572,484,000	614,803,700 ^{7/-11/}
FUND SOURCES			
General Fund	550,000	0	500,000
<u>Other Appropriated Funds</u>			
Air Quality Fund	706,800	1,078,300	1,094,000
Department Fleet Operations Fund	22,687,000	27,522,700	27,814,600
Highway Damage Recovery Account	6,423,900	7,999,300	7,999,000
Highway User Revenue Fund	779,600	951,500	841,900
Ignition Interlock Device Fund	324,400	365,600	380,600
Motor Vehicle Liability Insurance Enforcement Fund	1,539,100	1,615,600	1,654,500
State Aviation Fund	2,153,900	2,289,300	2,586,200
State Fleet Operations Fund	23,090,700	29,146,900	32,421,400
State Highway Fund	430,778,500	488,498,400	522,476,100
State Vehicle Replacement Fund	13,967,100	11,370,000	15,351,600
Vehicle Inspection and Certificate of Title Enforcement Fund	1,627,200	1,646,400	1,683,800
SUBTOTAL - Other Appropriated Funds	504,078,200	572,484,000	614,303,700
SUBTOTAL - Appropriated Funds	504,628,200	572,484,000	614,803,700
Other Non-Appropriated Funds	29,068,400	23,421,900	23,421,900
Federal Funds	25,349,600	0	0
TOTAL - ALL SOURCES	559,046,200	595,905,900	638,225,600

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

FOOTNOTES

- 1/ The amount appropriated in the operating lump sum includes a \$2,000,000 reduction below fiscal year 2023-2024 level from the state highway fund established by section 28-6991, Arizona Revised Statutes, in fiscal year 2025-2026 from the department's enforcement and compliance division. (General Appropriations Act footnote)
- 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 Appropriations 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 Appropriations Act footnote)
- 4/ Of the total amount appropriated, \$182,913,000 in fiscal year 2025-2026 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, 2026. (General Appropriations Act footnote, as adjusted for statewide allocations)
- 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 Appropriations 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, 2026. (General Appropriations Act footnote)
- 7/ Of the total amount appropriated, the department of transportation shall pay \$21,233,800 in fiscal year 2025-2026 from all funds to the department of administration for its risk management payment. (General Appropriations 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, 2026 for fiscal year 2025-2026. (General Appropriations Act footnote)
- 9/ On or before February 1, 2026, 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 2025-2026, 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 Appropriations Act footnote)
- 10/ On or before August 1, 2025, 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 Appropriations Act footnote)
- 11/ General Appropriations Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

Operating Budget	
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The budget includes \$271,234,100 and 3,419 FTE Positions in FY 2026 for the operating budget. These amounts consist of:

Air Quality Fund	FY 2026	\$1,094,000
Highway User Revenue Fund		612,200

Ignition Interlock Device Fund	380,600
Motor Vehicle Liability Insurance	1,549,500
Enforcement Fund	
State Aviation Fund	2,586,200
State Highway Fund	263,420,800
Vehicle Inspection and Certificate of	1,590,800
Title Enforcement Fund	

Adjustments are as follows:

ADOT Fleet Fuel Inflation

The budget includes an increase of \$523,600 from the State Highway Fund in FY 2026 for an inflationary increase for department fleet fuel costs. The increased funding will cover unleaded fuel prices of at \$3.20 a gallon and diesel fuel prices at \$3.50 a gallon.

Advanced Air Mobility Administration Funding

The budget includes an increase of \$222,600 and 2.0 FTE Positions from the State Aviation Fund in FY 2026 for advanced air mobility administration funding. The funding is intended to fulfill the provisions of Laws 2025, Chapter 185.

Chapter 185 requires the department, in consultation with stakeholders, to develop or update the statewide aviation plan to include advanced air mobility infrastructure (electric-powered aircraft technologies). In addition, the department is required to designate a person with expertise in electric-powered aircraft technologies to serve as a resource to local jurisdictions.

Driver License Production Funding

The budget includes an increase of \$38,600 from the State Highway Fund in FY 2026 for increased driver license production funding. Due to population growth and higher production costs, the department expects increased costs associated with driver license production.

License Plate Production Funding

The budget includes an increase of \$308,600 from the State Highway Fund in FY 2026 for increased license plate production funding. Due to population growth and higher production costs, the department expects increased costs associated with license plate production.

Named Claimants

The budget includes a decrease of \$(9,100) from the State Highway Fund in FY 2026 for the elimination of one-time funding for prior year unpaid claims. *(Please see the Named Claimants discussion in ADOA Other Issues.)*

Building System Management Upgrade Funding

The budget includes an increase of \$316,000 from the State Highway Fund in FY 2026 to upgrade the department's construction management system. The funding covers the second phase of a 3-phase project. The new system will be used by the department to manage highway construction projects. Of this amount, \$238,000 is one-time to upgrade the system to the newest version.

One-Time Maintenance Management System

The budget includes an increase of \$3,222,500 from the State Highway Fund in FY 2026 for one-time funding to replace the department's maintenance management

system. This funding covers the first phase of a 3-phase project intend to replace the IT system utilized by the department to track roadway maintenance projects.

Remove One-Time FY 2025 MVD Security System Funding

The budget includes a decrease of \$(724,900) from the State Highway Fund in FY 2026 to remove one-time funding to replace the security systems at 9 MVD offices throughout the state. The funding covers the third phase of a 5-phase project intended to replace the security systems at all 42 offices.

One-Time FY 2026 MVD Security System

The budget includes an increase of \$789,100 from the State Highway Fund in FY 2026 for one-time funding to replace the security systems at 9 MVD offices throughout the state. The funding covers the fourth phase of a 5-phase project intended to replace the security systems at all 42 offices.

Remove One-Time FY 2025 Passenger Rail Service Operating Funding

The budget includes a decrease of \$(200,000) from the Air Quality Fund in FY 2026 to remove one-time funding for operating costs associated with a study for a passenger rail service from Phoenix to Tucson.

One-Time FY 2026 Passenger Rail Service Operating Funding

The budget includes an increase of \$200,000 from the Air Quality Fund in FY 2026 for one-time funding for operating costs associated with a study for a passenger rail service from Phoenix to Tucson.

Software Contract Funding

The budget includes an increase of \$1,713,500 from the State Highway Fund in FY 2026 for increased costs with the renewal of existing software contracts. These software application contracts are utilized for transportation project monitoring, mapping, licensing, project management, data analysis, cloud storage and management, document organization, and cybersecurity.

Technical Budget Shift

The budget includes a decrease of \$(230,100) from the State Highway Fund in FY 2026 as a technical budget shift. The FY 2024 budget included salary adjustments for approximately 978 positions within the department. The department requested that the monies allocated between the operating budget, Attorney General Legal Services line item, Authorized Third Parties line item, and Highway Maintenance line items be shifted to better reflect where the positions are funded.

The budget also includes a corresponding increase of \$316,700 in the Attorney General Legal Services line item, a decrease of \$(1,800) in the Authorized Third Parties line item, and a decrease of \$(84,800) in the Highway Maintenance line item.

Statewide Adjustments

The budget includes an increase of \$9,095,400 in FY 2026 for statewide adjustments. This amount consists of:

Air Quality Fund	15,700
Highway User Revenue Fund	(74,000)
Ignition Interlock Device Fund	15,000
Motor Vehicle Liability Insurance Enforcement Fund	38,600
State Aviation Fund	74,300
State Highway Fund	8,988,200
Vehicle Inspection and Certificate of Title Enforcement Fund	37,600

Of this amount, \$682,200 is for a 5% salary increase for AZPOST-certified staff and a 15% salary increase for firefighters. *(Please see the Agency Detail and Allocations section.)*

ADOT Fleet Vehicles and Heavy Equipment Maintenance

The budget includes \$26,814,600 and 200 FTE Positions from the Department Fleet Operations Fund in FY 2026 for Vehicles and Heavy Equipment Maintenance. Adjustments are as follows:

Statewide Adjustments

The budget includes an increase of \$291,900 from the Department Fleet Operations Fund in FY 2026 for statewide adjustments.

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

ADOT Fleet Vehicles and Heavy Equipment Maintenance Contingency

The budget includes \$1,000,000 from the Department Fleet Operations Fund in FY 2026 for Vehicles and Heavy Equipment Maintenance Contingency. This amount is unchanged from FY 2025.

This line item funds the contingency related costs of maintaining the department's vehicle and equipment fleet.

ADOT Fleet Vehicle and Heavy Equipment Replacement

The budget includes \$22,400,000 from the State Highway Fund in FY 2026 for Vehicle and Heavy Equipment Replacement. This amount is unchanged from FY 2025.

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 Appropriations Act footnote requires vehicle and heavy equipment replacement to be funded only from this line item.

Attorney General Legal Services

The budget includes \$3,940,400 from the State Highway Fund in FY 2026 for Attorney General Legal Services. Adjustments are as follows:

Technical Budget Shift

The budget includes an increase of \$316,700 from the State Highway Fund in FY 2026 as a technical budget shift. The FY 2024 budget included salary adjustments for approximately 978 positions within the department. The department requested that the monies allocated between the operating budget, Attorney General Legal Services line item, Authorized Third Parties line item, and Highway Maintenance line items be shifted to better reflect where the positions are funded.

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 budget includes \$2,252,700 and 20 FTE Positions in FY 2026 for Authorized Third Parties. These amounts consist of:

Highway User Revenue Fund	229,700
Motor Vehicle Liability Insurance Enforcement Fund	105,000
State Highway Fund	1,825,000
Vehicle Inspection and Certificate of Title Enforcement Fund	93,000

Adjustments are as follows:

Technical Budget Shift

The budget includes a decrease of \$(1,800) from the State Highway Fund in FY 2026 as a technical budget shift. The FY 2024 budget included salary adjustments for

approximately 978 positions within the department. The department requested that the monies allocated between the operating budget, Attorney General Legal Services line item, Authorized Third Parties line item, and Highway Maintenance line items be shifted to better reflect where the positions are funded.

Statewide Adjustments

The budget includes a decrease of \$(9,900) in FY 2026 for statewide adjustments. This amount consists of:

Highway User Revenue Fund	(35,600)
Motor Vehicle Liability Insurance Enforcement Fund	300
State Highway Fund	25,600
Vehicle Inspection and Certificate of Title Enforcement Fund	(200)

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 2024, ATPs retained \$28,673,000 in fees that otherwise would have been deposited to the Highway User Revenue Fund (HURF) and \$41,343,000 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.)*

Construction Management System Replacement

The budget includes \$6,272,000 from the State Highway Fund in FY 2026 for Construction Management System Replacement. Adjustments are as follows:

One-Time FY 2026 Construction Management System Replacement Funding

The budget includes an increase of \$6,272,000 from the State Highway Fund in FY 2026 for one-time funding for construction management system replacement. The funding covers the second phase of a 4-phase project intended to replace the department's construction management IT system.

Remove One-Time FY 2025 Construction Management System Replacement Funding

The budget includes a decrease of \$(1,885,000) from the State Highway Fund in FY 2026 to remove one-time

funding for construction management system replacement. The funding covered the first phase of a 4-phase project intended to replace the department's construction management IT system.

The IT system is utilized by ADOT for managing the contract process and tracking the delivery of construction projects.

Driver Safety and Livestock Control

The budget includes \$800,000 from the State Highway Fund in FY 2026 for Driver Safety and Livestock Control. This amount is unchanged from FY 2025.

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 budget includes \$7,999,000 from the Highway Damage Recovery Account in FY 2026 for the Highway Damage Recovery Account. Adjustments are as follows:

Statewide Adjustments

The budget includes a decrease of \$(300) from the Highway Damage Recovery Account in FY 2026 for statewide adjustments.

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 budget includes \$182,913,000 and 932 FTE Positions from the State Highway Fund in FY 2026 for Highway Maintenance. Adjustments are as follows:

Highway Maintenance Additional Lane Miles

The budget includes an increase of \$797,400 from the State Highway Fund in FY 2026 for maintenance of new lane miles across the state. This funding will cover the cost of 38 new lane miles added in FY 2025.

Highway Maintenance Backlog Funding

The budget includes an increase of \$15,793,300 from the State Highway Fund in FY 2026 to address the backlog of maintenance of highway lane miles in fair or poor condition. As of 2023, 29% of Arizona roadways were rated in good condition, 64% in fair condition, and 7% in poor condition.

Remove One-Time FY 2025 I-17 Flex Lane Maintenance Costs

The budget includes a decrease of \$(517,500) from the State Highway Fund in FY 2026 to remove one-time funding for maintenance of new flex lane miles along Interstate 17 from Anthem to Sunset Point.

One-Time FY 2026 I-17 Flex Lane Maintenance Cost

The budget includes a one-time increase of \$813,600 from the State Highway Fund in FY 2026 for maintenance of new flex lane miles along Interstate 17 from Anthem to Sunset Point. ADOT anticipates the new flex lanes will be open in late 2025 and this funding will cover the cost of a third party to maintain the new lane miles.

Remove One-Time FY 2025 South Mountain Loop 202 Maintenance Costs

The budget includes a decrease of \$(509,300) from the State Highway Fund in FY 2026 to remove a one-time performance bond payment for maintenance of new lane miles for the South Mountain Loop 202 freeway that was opened in December 2019.

South Mountain Loop 202 Maintenance Costs

The budget includes an increase of \$106,900 from the State Highway Fund in FY 2026 for maintenance of new lane miles for the new South Mountain Loop 202 freeway that was opened in December 2019. This ongoing funding covers the full cost of maintenance by adjusting for inflation.

Technical Budget Shift

The budget includes a decrease of \$(84,800) from the State Highway Fund in FY 2026 as a technical budget shift. The FY 2024 budget included salary adjustments for approximately 978 positions within the department. The department requested that the monies allocated between the operating budget, Attorney General Legal Services line item, Authorized Third Parties line item, and Highway Maintenance line items be shifted to better reflect where the positions are funded.

Statewide Adjustments

The budget includes a decrease of \$1,212,500 from the State Highway Fund in FY 2026 for statewide adjustments. 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 \$182,913,000 included for Highway Maintenance, the Proposition 479 Maricopa County half-cent sales tax makes another \$15,845,400 available in FY 2026 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 budget includes no funding in FY 2026 for One-Time Fleet Fuel Inflation Funding. Adjustments are as follows:

Remove One-Time FY 2024 Inflation Funding

The budget includes a decrease of \$(3,297,900) from the State Highway Fund in FY 2026 to remove one-time funding for inflationary cost increases in fuel.

Preventive Surface Treatments

The budget includes \$36,142,000 from the State Highway Fund in FY 2026 for Preventive Surface Treatments. This amount is unchanged from FY 2025.

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 budget includes \$1,656,100 from the State Highway Fund in FY 2026 for Radio Lifecycle Replacement. This amount is unchanged from FY 2025.

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 budget includes \$500,000 from the General Fund in FY 2026 for Spaying and Neutering of Animals Fund Deposit. Adjustments are as follows:

One-Time Spaying and Neutering of Animals Fund Deposit

The budget includes an increase of \$500,000 from the General Fund in FY 2026 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 budget includes \$32,421,400 and 10 FTE Positions from the State Fleet Operations Fund in FY 2026 for State Fleet Operations. Adjustments are as follows:

DCS State Fleet Operations Adjustment

The budget includes an increase of \$5,979,400 from the State Fleet Operations Fund in FY 2026 for the maintenance of vehicles within the Department of Child Services (DCS). The FY 2026 budget adds DCS to the state fleet and includes additional funding from the agency for state fleet onboarding costs.

FY 2026 State Fleet Maintenance Adjustment

The budget includes an increase of \$3,575,700 and 8 FTE Positions from the State Fleet Operations Fund in FY 2026 for state fleet maintenance costs to expend the increased maintenance charges to agencies within the state fleet and handle the increased workload of 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.

Remove One-Time FY 2025 State Fleet Maintenance Adjustment

The budget includes a decrease of \$(6,273,900) from the State Fleet Operations Fund in FY 2026 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.

Remove One-Time State Fleet Maintenance Personnel Costs

The budget includes a decrease of \$(5,200) from the State Fleet Operations Fund in FY 2026 to remove one-time

costs associated with new positions to assist with the maintenance of the state fleet.

Statewide Adjustments

The budget includes a decrease of \$(1,500) from the State Fleet Operations Fund in FY 2026 for statewide adjustments.

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 budget includes \$15,351,600 from the State Vehicle Replacement Fund in FY 2026 for State Fleet Vehicle Replacement. Adjustments are as follows:

One-Time DCS Vehicle Replacement Adjustment

The budget includes an increase of \$2,610,000 from the State Vehicle Replacement Fund in FY 2026 for one-time funding to replace 100 vehicles at the Department of Child Services (DCS). The FY 2026 budget adds DCS to the state fleet and includes additional funding from the agency for state fleet onboarding costs.

One-Time State Fleet Vehicle Replacement Adjustment

The budget includes an increase of \$5,491,600 from the State Vehicle Replacement Fund in FY 2026 for one-time funding for state fleet vehicle replacement costs. This funding is intended to replace 180 vehicles across 26 agencies in the state fleet. In addition, the funding will be utilized to replace 21 vehicles ordered in 2025 that have not yet been received. In addition, the department will use the funding to purchase 4 new vehicles for the following agencies: Department of Agriculture (1), State Parks (1), and the Attorney General (2).

Remove One-Time State Fleet Vehicle Replacement Adjustment

The budget includes a decrease of \$(4,120,000) from the State Vehicle Replacement Fund in FY 2026 to remove one-time funding for state fleet vehicle replacement costs. This amount reflects what the department received in FY 2024 to replace 206 vehicles 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 budget.

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.

<i>Statewide Litter Removal</i>
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The budget includes \$3,106,800 from the State Highway Fund in FY 2026 for Statewide Litter Removal. This amount is unchanged from FY 2025.

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.

<i>Other Issues</i>

<i>FY 2025 Supplemental</i>

The FY 2026 budget includes an FY 2025 supplemental appropriation of \$9,091.49 from the State Highway Fund for a one-time named claimants appropriation. *(Please see the operating budget for further details.)*