

Auditor General's Report



Arizona Department of Transportation— Transportation Revenues



REPORT HIGHLIGHTS PERFORMANCE AUDIT

Department's projected transportation revenues fall short of estimated needs

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Transportation Policy Committee
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Department's projected revenues less needs for fiscal years 2010-2035

Projected revenue	\$26.2 billion
Projected need	<u>(88.9 billion)</u>
Projected shortfall	<u><u>(\$62.7 billion)</u></u>

Source: Arizona Department of Transportation. (2011). *What moves you Arizona: Long-range transportation plan*. Phoenix, AZ.



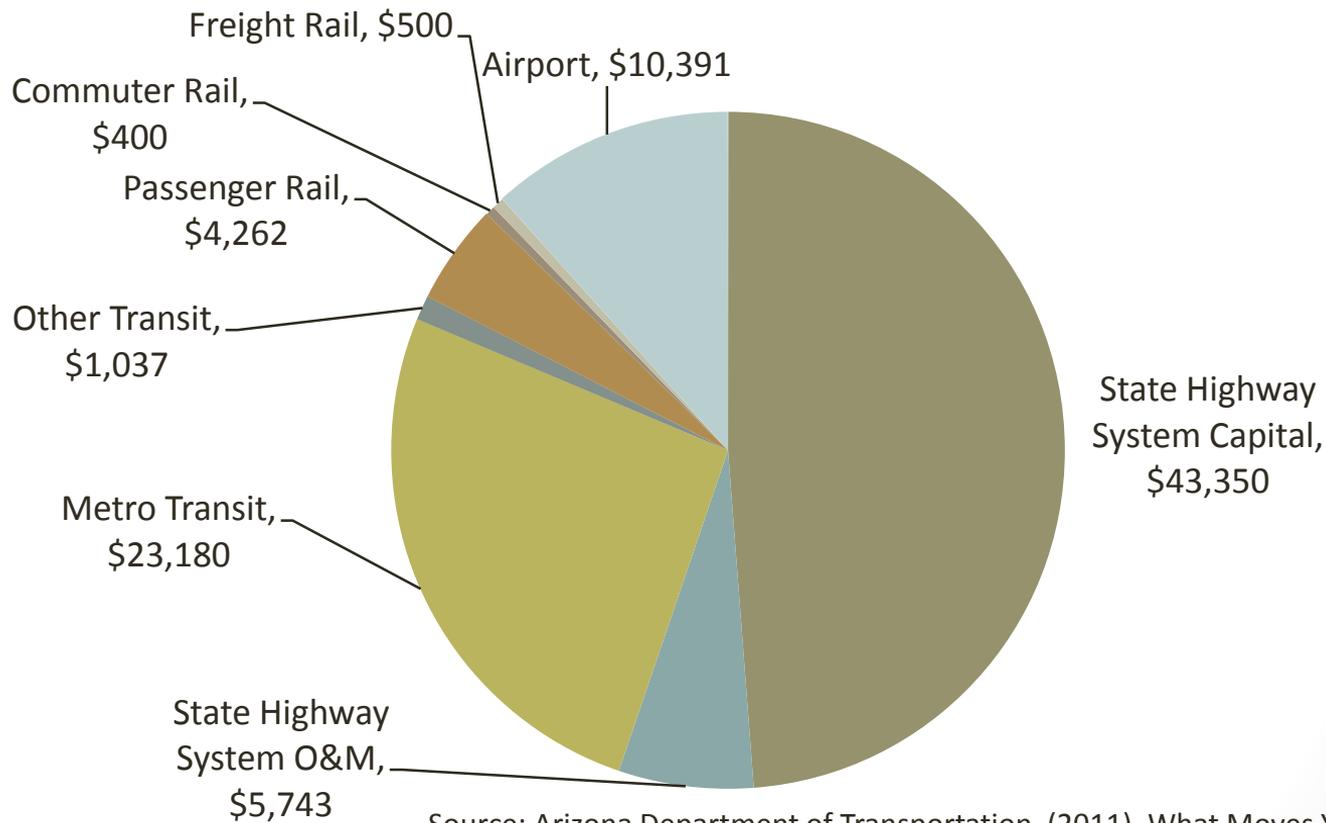
What Moves You Arizona

Long-Range Transportation Plan | 2010-2035

THE ARIZONA DEPARTMENT OF TRANSPORTATION
MAY 2011

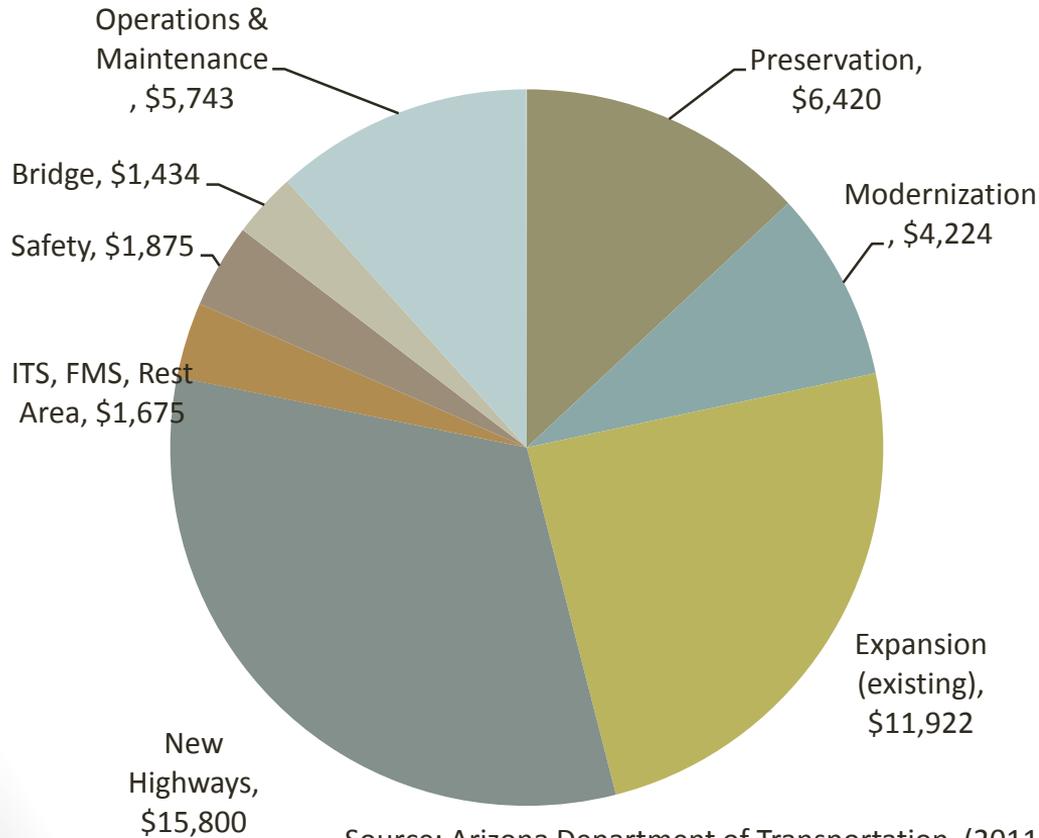


Total Estimated Arizona Transportation Needs: \$88.9 billion for 2010 - 2035 (in millions)



Source: Arizona Department of Transportation. (2011), What Moves You Arizona: Long Range Transportation Plan.

ADOT Needs for State Highway System: \$49.1 billion for 2010 - 2035 (in millions)



State Highway System Needs (in millions)	
Preservation	6,420
Modernization	4,224
Expansion (existing)	11,922
New Highways	15,800
ITS, FMS, Rest Area	1,675
Safety	1,875
Bridge	1,434
Operations & Maintenance	5,743
Total SHS Needs	49,093
Total Revenue for SHS (in millions)	
Federal Highway Funds	13,541
State Highway Funds	6,048
RARF for Highways (corrected)	5,567
Total SHS Revenue	25,157
Balance	(23,935)

Source: Arizona Department of Transportation. (2011), What Moves You Arizona: Long Range Transportation Plan.



Audit Findings

- Sufficient revenue is important for a viable transportation system.
 - Transportation impacts the economy & job market.
- Congestion and poor roads cost users billions each year.
- Fuel tax revenues lack long-term sustainability



Audit Findings: Revenue Options

- Fuel Tax Changes
 - increasing rate
 - index to inflation
 - % of fuel cost
 - tax alternative fuel vehicles
- Vehicle mile tax
- Increase fees
- Tolling
- Sales tax

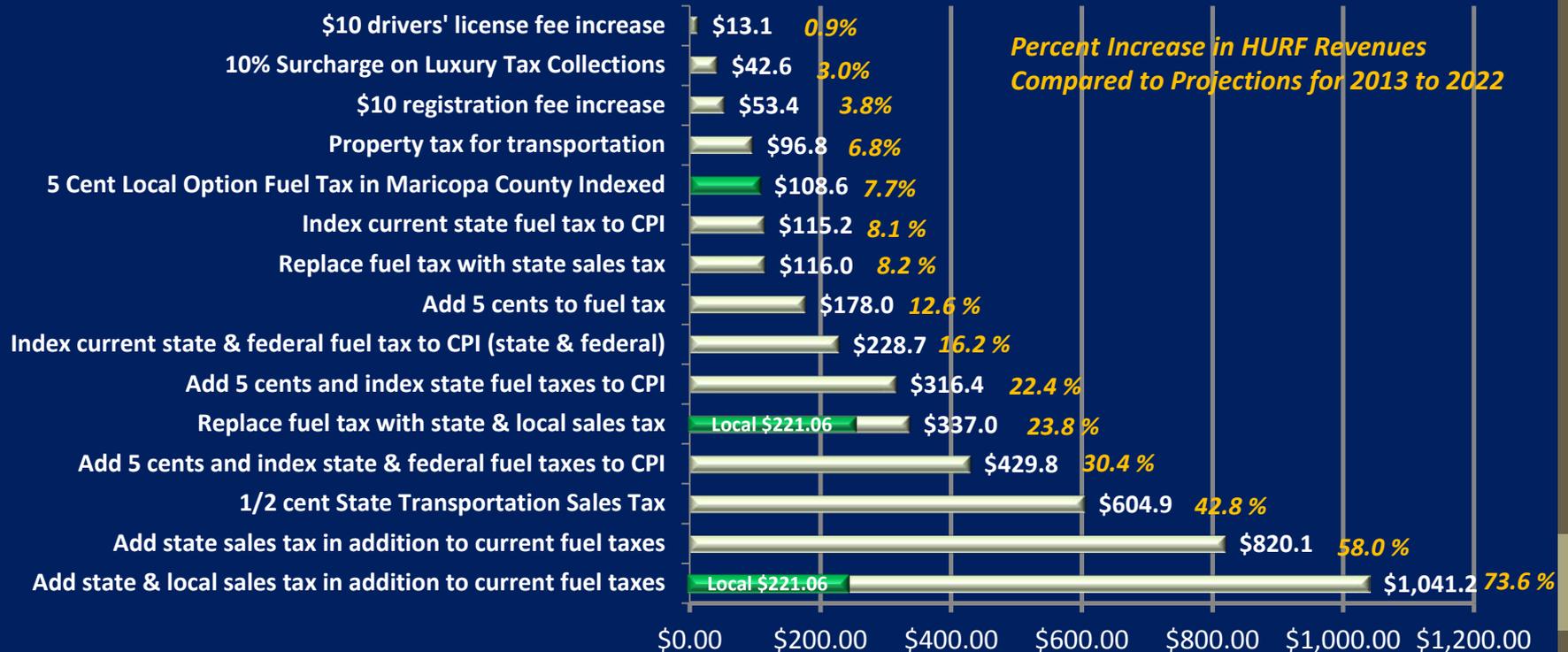


Audit Recommendation

The Legislature should consider forming a task force to study and propose options for addressing the Department's transportation revenue needs to ensure a safe, efficient, and economically viable state transportation system.

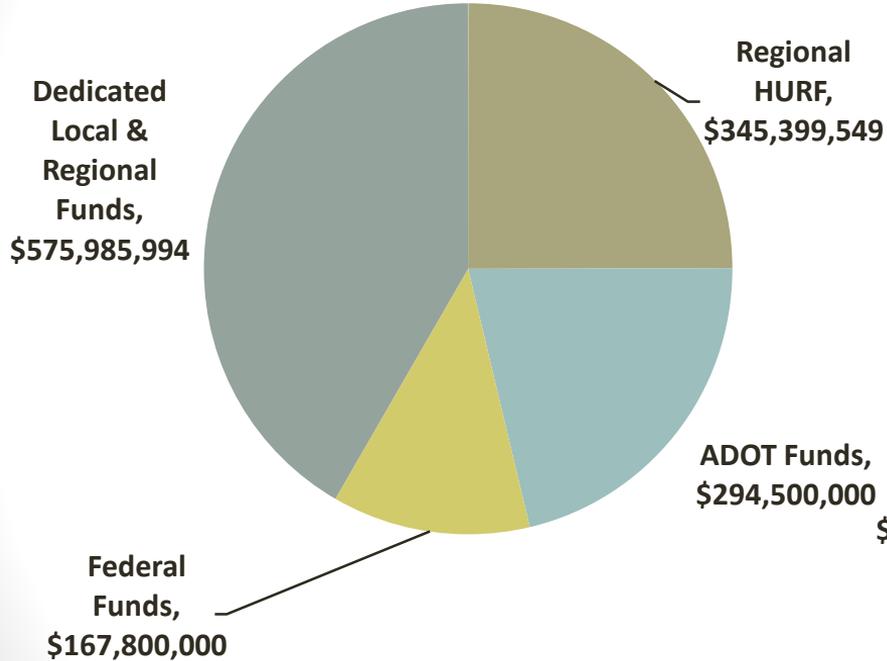
Potential Transportation Revenue Sources

Annual Average Net New Statewide Revenue 2013 to 2022 (millions of dollars)



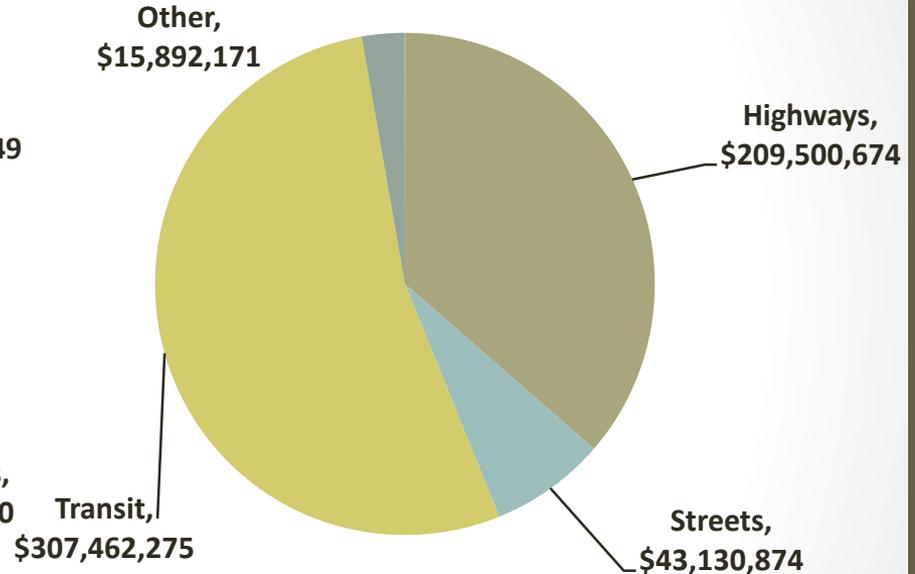


Major Sources of Transportation Revenue in Maricopa County



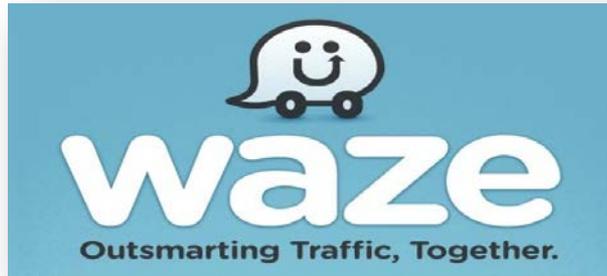
Total Major Sources: \$1.383 billion

Uses of Local & Regional Funds



Local & Regional Funds: \$576.0 million

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