

## **Arizona Department of Transportation Roadmap for Operating Reductions in 2010**

With a weakened economy, a decline in revenues and the legislative transfer of more than \$530 million in transportation funds during fiscal years 2009 and 2010 to help plug the hole in the state budget, money for transportation services in Arizona has been reduced by 25%.

This means ADOT customers will see significant service reductions in 2010 with cuts in the state's highway construction and maintenance programs, office closures and staff reductions.

ADOT will have fewer resources to fulfill our mission of providing residents and visitors with a safe, efficient, and cost-effective transportation system. For users of transportation, this will impact the following services:

- Planning, designing, building, operating and maintaining highways
- Providing customer services that license drivers, register vehicles, ensure compliance with transportation laws and collect money for transportation services
- Providing funding for public airport improvements, registering aircraft and operating the Grand Canyon National Park Airport
- Administering federal funding programs for local transportation improvements

Transportation is funded by you, the people who use its services. About 80% of the money you pay is spent by ADOT to create jobs in the private sector, putting people to work building projects, providing supplies and performing transportation services. This money also creates long lasting improvements that move people and goods, attract jobs and enable Arizona businesses to compete in the global market.

As I have warned the Legislature, government officials and professional associations, a "perfect storm" is brewing that threatens our progress. Simply put: ADOT is running out of money because people are buying less fuel and vehicles, while the state is using transportation dollars to pay for other needs.

Some may think that the federal stimulus money received through the [Recovery Act](#) will solve Arizona's transportation needs. It's true these funds are paying for transportation projects around the state and putting people back to work. However, the Recovery Act money is dedicated to pay for construction projects.

Because the federal government sends money to Arizona for highway construction, ADOT continues to build projects across the state. That money is restricted by federal and state laws to pay for construction improvements and cannot be used for ADOT operations, such as the services provided by the Motor Vehicle Division. It creates a funding scenario similar to having money to buy a car, but not having the money to operate and maintain it.

If current trends continue and Arizona cannot pay for its share of federal funding, federal gas taxes paid by Arizonans would not be returned to pay for construction projects in Arizona. Instead, that money would pay for improvements in other states.

In fiscal year 2009, ADOT aggressively took action to reduce its use of state highway funds by 15% to achieve \$60 million in savings through reducing employee expenses, requiring employees to furlough one work day per pay period, cutting highway maintenance expenses, reducing operational costs and eliminating consultants and other support costs.

The cuts taken last year will continue this fiscal year. Legislative actions and lower transportation revenues in fiscal year 2010 will require ADOT to further cut expenses by an additional 10% to account for the additional \$40 million shortfall.

The two-year combined total to reduce state highway expenses by 25% or \$100 million will require deeper cuts in the state's highway construction and maintenance programs, significant service reductions, office closures and staff reductions.

## **Roadmap for Operating Reductions in 2010**

### **Employees**

- [The number of employees has been reduced through attrition by 10% \(450 positions\)](#) as the result of a hiring freeze in place since February 2009
- The current budget shortfall requires further reductions in the number of employees, impacting our ability to provide services at levels Arizonans have become accustomed
- While some staff reduction can continue to be achieved through attrition, ADOT anticipates the need for layoffs as transportation revenues continue to decline

### **Motor Vehicle Division**

- [MVD will eliminate office hours on Saturdays at four locations and plans to close 12 of the 61 MVD field offices](#) based upon a review of facility and security issues, proximity to other locations and the availability of third party enterprises
- While many MVD services are available online at [ServiceArizona.com](#) and at [140 third party locations statewide](#), we continue to seek alternative service options for customers
- MVD offices offering commercial driver license services will be further reduced
- Commercial vehicle enforcement will be altered to maintain operations at international ports of entry with Mexico and randomly use mobile and fixed ports of entry in Arizona
- Alternative methods will be used to verify information for first time vehicle registrations in Arizona in lieu of conducting Level One vehicle inspections

### **Highway Maintenance**

- [Operations at 13 of the state's 18 rest areas will be suspended](#)
- Alternatives to state operated rest areas will be sought by developing a program for commercial enterprises to provide or sponsor rest area services
- ADOT will join other state transportation agencies to seek changes in federal legislation to allow rest areas to be commercialized along federal highways
- The number of highway maintenance yards will be reduced to shift work to regional yards
- Highway maintenance activities will be eliminated, deferred and occur less frequently by prioritizing maintenance activities in the following order:
  - ◆ *Priority 1: Public Safety and Emergency Response – emergency repairs, snow and ice removal and emergency response to incidents*
  - ◆ *Priority 2: Mobility – necessary repairs and maintenance activities to keep the highway system operational*
  - ◆ *Priority 3: Preventive Maintenance and Preservation of the System – preventative and routine highway maintenance activities*
  - ◆ *Priority 4: Aesthetics – landscaping, litter pick-up and graffiti removal*

## Highway Construction

- Reductions to the highway construction program will occur by spreading current projects out into future years of the five-year construction program or out of the program entirely:
  - Deferred \$150 million in construction projects in fiscal year 2009
  - Defer \$370 million in construction projects during fiscal years 2010-2013

## Aeronautics – Grand Canyon Airport

- Maintenance activities will be limited to focus on airfield safety to make sure runway and taxiways meet safety standards
- Snow removal will be limited to occur during daylight hours only

This roadmap provides a snapshot of our action plan for operating reductions in 2010. Major impacts to services and our transportation system are unavoidable given declining transportation revenues coupled with the transfer of funding to address the state budget shortfall.

Please be assured that ADOT employees are willing to accept the challenge to work harder and smarter for the taxpayers of Arizona, and for the greater good of the state. To learn more about ADOT, visit [www.azdot.gov](http://www.azdot.gov).

Sincerely,

A handwritten signature in blue ink that reads "John Halikowski". The signature is written in a cursive style with a large initial "J".

John Halikowski  
ADOT Director