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# MEMORANDUM

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Date: April 19, 2011

To: The Honorable Chairman and Members  
Pima County Board of Supervisors

From: C.H. Huckelberry  
County Administrator 

Re: State Budget Impact on the Department of Transportation

As I have indicated to you, previous State Legislature diversions from the Highway User Revenue Fund (HURF) have decreased the Department of Transportation's (DOT's) recurring revenues. In the past, the diversion was to fund the Department of Public Safety. This past legislative session, a diversion occurred to fund the Motor Vehicle Division under the Arizona Department of Transportation. These two diversions consume more than \$6.7 million of recurring revenue, a significant impact to the revenues from which our Department of Transportation operates.

I am enclosing a chart that illustrates the historical past receipt of revenues by the DOT, as well as those revenues forecasted for the future. Between Fiscal Years 2007 and 2012, these revenues have declined from \$58,450,000 to \$45,191,000, a decrease of \$13,259,000, or 22.7 percent of recurring revenues.

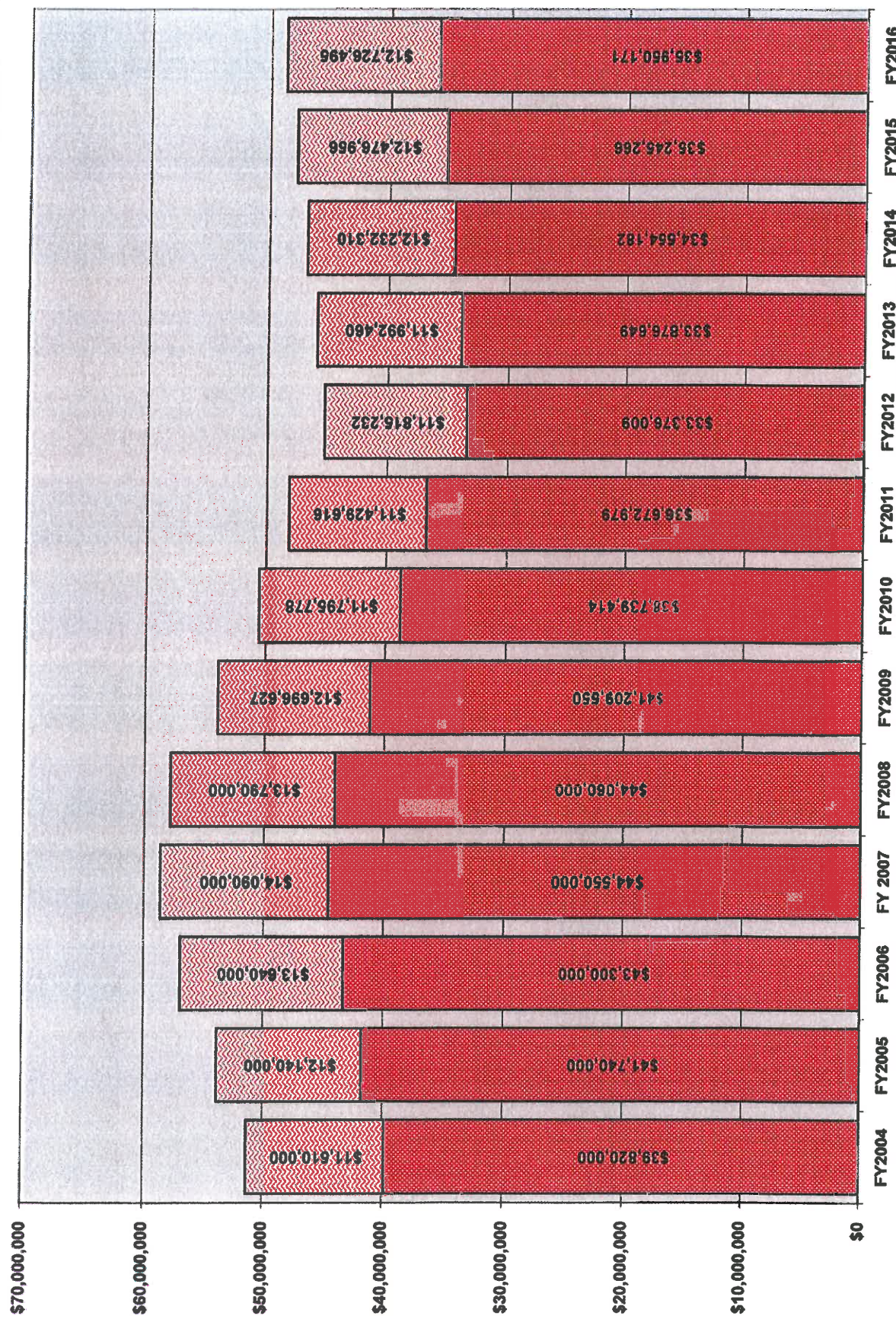
This 23 percent loss in recurring revenues is significant and will definitely affect our future ability to issue HURF bonds. These diversions also impact other local government transportation agencies. In total, these diversions will have a significant impact on financing future transportation improvements, whether they are within a city or town or in the unincorporated area of Pima County. I have alerted the Regional Transportation Authority (RTA) Executive Director to these additional diversions and have indicated our ability to issue future HURF bonds has been severely compromised.

We will do as much as we can on a yearly basis to meet our obligations. However, these legislative diversions are both problematic and counterproductive to community economic development, which relies heavily on an efficient and effective transportation system.

CHH/mjk

Attachment

c: Gary Hayes, Executive Director, Regional Transportation Authority  
John Bernal, Deputy County Administrator for Public Works  
Priscilla Cornelio, Director, Department of Transportation



PCDOT REVENUE,  
HURF + VLT (VEHICLE LICENSE TAX)

HURF  
 Vehicle License Tax (VLT)