

ADOT can't slash that deeply

8 comments Nov. 4, 2009 12:00 AM
The Arizona Republic

Every rest stop in Arizona closed. No highway maintenance except emergency repairs. More than 2,000 people thrown out of work. Lost federal dollars for road construction.

That was just part of the scorched-earth scenario from the [Arizona Department of Transportation](#) last week. The department was among the last to respond to Gov. Jan Brewer's request for state agencies to submit possible plans to reduce their fiscal 2010 by 15 percent.

And you're bound to wonder: How could a 15 percent cut be so devastating?

The answer reveals a lot about the state budget crisis and the enormous difficulty of fixing it.

- **Time is short.** We're four months into the fiscal year. The later it gets, the more reductions are needed to achieve a 15 percent annual budget cut. At this point, the remaining spending would have to be slashed by 23 percent.

- **The state has already swept a lot of agency funding.** The Legislature authorized to spend \$398 million this year (the number used to calculate the 15 percent). But the department, which gets virtually no money from the state General Fund, will bring in just \$320 million. That's partly because of declining revenue from fuel and vehicle registration. A lot, though, is due to the state's habit of siphoning off money to offset the deficit. It has diverted \$1 billion in transportation money over the past decade, Matt Burdick says.

- **Staffing often takes an outsized hit.** After accounting for materials, rent, utilities and contracts, which may have big upfront costs, the major place where ADOT and other agencies can make reductions is in personnel. The 15 percent cut would require ADOT to terminate half or more of its employees. Besides severe cuts in service, ADOT would have to cut staffing at Grand Canyon Airport, sharply reducing tour operations.

- **Cutting can reduce revenues.** The Motor Vehicle Division, forced to focus on keeping a few key field offices open, would lack personnel to enforce vehicle-registration

Advertisement

Help people in need.

Donate your car, boat or RV

Free Towing ■ Tax Deductible

FREE
3 day vacation to over
80 destinations.

Call Toll-Free

1-877-225-9384



Heritage
for the Blind

Print Powered By FormatDynamics™

laws and payment of fuel taxes. Of all the agencies, the most self-defeating place to make budget reductions is at the Department of Revenue, where the scenario includes eliminating the audit division, a \$10 million savings that would cost the state \$62 million in revenue.

- **Federal funding is at risk.** Most of ADOT's construction projects are 94 percent federally funded. But the state must have its 6 percent share, and it must have the **cash flow** to front the feds' share, which is reimbursed. Other agencies are already losing federal dollars because they've lost the matching money. The university system has received federal stimulus funding that will be revoked if state support falls too low.

With a revenue shortfall now estimated at \$2 billion this fiscal year, Arizona can't simply slash spending. We also need income.

Copyright © 2009, azcentral.com. All rights reserved. Users of this site agree to the Terms of Service and Privacy Policy/Your California Privacy Rights

Advertisement

Own a new computer for just \$29.99* per week!

And improve your credit score at the same time!

Give us a call today!

1-877-294-3988

*Prices start at \$29.99 but may vary by model.

