



Arizona Highway Users

Monday, December 14, 2009
Prepared Remarks by Gov. Jan Brewer

I want to touch on our transportation priorities, but first let me tell you where the budget leaves us:

ADOT faces a \$100 million budget shortfall this fiscal year requiring further reductions in services, office closures, highway construction, highway maintenance, and staff.

ADOT's plan to reduce its use of state highway funds requires the temporary closure of 13 highway rest areas, closure of 12 Motor Vehicle Division field offices, deferral of \$370 million in highway construction, consolidation of customer services, and staff layoffs.

Implementation of the budget-reduction plan began in October and stretches across all of ADOT's operational areas.

ADOT is using all of its federally allocated transportation funding, making good use of all resources available.

We understand the importance of meeting the state's infrastructure needs with funds generated from transportation users.

The Legislature and I have worked to use available funding sources to balance impacts across all state services to continue to provide education, health and human services and public safety for the greater good of the state.

The transportation funds that were transferred carried impacts, but did not reach the tipping point to risk public safety. ADOT continues to provide services that preserve public safety.

The use of transportation funds is a budget issue going forward to balance FY 2010.

In good economic times, general fund monies were used to create a dedicated account to accelerate the development of transportation improvements called the "Surface Transportation Acceleration Needs" account. That money helped to add additional lanes on I-10 between Phoenix and Tucson, carpool lanes on the Loop 101, interchanges on the Loop 303 and widening State Route 86 in southern Arizona.

The economy is requiring that we – like many of you -- change the way we do business. We're working to preserve core functions and looking for more efficient ways to deliver state services.

Because the federal government sends money to Arizona for highway construction, ADOT continues to build projects across the state.

However, laws restrict how federal funds are used – only construction improvements qualify -- leaving us to struggle to pay for operations, such as highway maintenance, rest areas, snow removal and services provided by the Motor Vehicle Division.

Our challenge is funding transportation projects. More than \$500 million in transportation revenue has been diverted to address the state's budget challenges.

Arizona also must have sufficient state highway money to match federal transportation funding collected through gas taxes.

Without matching funds, Arizona risks losing its share of federal funds, meaning gas taxes paid by Arizonans would fund improvements in other states.

This is the second year of major cost reductions.

Last fiscal year, ADOT aggressively took action to reduce its use of state highway funds to achieve \$60 million in savings through cuts that impacted employees, highway maintenance and operational support services.

Our priority transportation projects include the Hoover Dam Bypass Bridge; I-10 and I-17, I-11; Public-Private Partnerships; and Winter Maintenance (snow-plowing).

The Hoover Dam Bypass Bridge -- It is critical, particularly in these economic times, that Arizona is repaid for the Hoover Dam Bypass Bridge bonds.

These that were issued in good faith to ensure this critical structure could be built.

This is a federally authorized project - Public Law 98-381 in 1984 authorized construction of a Colorado River Bridge crossing immediately below Hoover Dam to replace the present use of the top of the dam.

I-10 and I-17-- ADOT continues to work to complete improvements on I-10 between Phoenix and Tucson and in Western Maricopa out to SR 85. Work continues on improvements on I-17 between Loop 101 and Anthem and ADOT continues to look at options to improve travel on that corridor all the way to Flagstaff.

I-11-- This corridor can be a critical transportation link in the State. Phoenix and Las Vegas are the only two cities in the U.S. with populations of over 1 million persons that do not have a direct interstate connection. A link will facilitate trade movement between two of the fastest growing regions in the United States.

Public-Private Partnerships -- Following the passage of HB 2396, ADOT is in the process of organizing the public-private partnerships program to establish policies, develop project evaluation criteria and hire necessary outside consultant resources for engineering, finance and legal services.

Our goal is to have a “best practices” program organized by early next year so that ADOT can start receiving and evaluating proposals for potential projects.

It's important that we have options to work with private entities to develop infrastructure that can keep the state on-the-move for decades to come.

Winter Maintenance – Plowing Snow-- Snowplowing is a matter of public safety, and a top concern for me despite the fiscal challenges.

Keeping highways open also is important for the economy. Through further operational cuts and the one-time sale of state assets, ADOT is working to free up dollars necessary to continue to provide resources as we have in the past to make highways safe for the traveling public.

Unlike highway construction projects, which are mostly paid by federal dollars, we don't have the option of using federal dollars to pay for snow removal.

That's a high-level view of some of our transportation issues. Thank you for the invitation to share them with you this afternoon.