



MEMORANDUM

Date: December 17, 2015

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

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to read "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Highway User Revenue Fund (HURF) Sweeps and/or Diversions of HURF Revenues Due State Transportation, Cities, Towns and Counties**

Discussions regarding adopting the 2016 Legislative Agenda at the December 15, 2015 Board of Supervisors meeting left questions regarding whether HURF sweeps are continuing. Supervisor Ally Miller indicated the Arizona Legislature is not sweeping HURF revenues for the Department of Public Safety (DPS) or for other State purposes in balancing the State's budget.

The State continues to sweep HURF monies intended for transportation, and the largest single sweep continues to be for DPS.

As adequately explained by former Legislator Steve Huffman, the statutory allocations to DPS, a State police agency, are defined in A.R.S. 28-6537. However, the State Legislature routinely exceeds this allocation by a substantial amount through adopting the State budget with the standard "not withstanding" language. In only two of the last 10 years (2007 and 2008), has the excess DPS HURF sweep been reduced to zero. For Fiscal Year (FY) 2014/15, the excess HURF sweep, or the amount over the \$10 million statutory amount, was \$107.6 million. HURF sweeps have been considerably higher in prior years. In FY 2012/13, the excess HURF sweep for both DPS and the Motor Vehicle Division was \$202.6 million.

Had there been no HURF sweeps or excess allocations to DPS in FY 2014/15, our region's counties, cities and towns would have had another \$10.7 million for road repair. Our share would have been nearly \$4 million. Hence, sweeps by the State to balance their budget, primarily for their State police agency, is costing the region significant HURF revenues that would otherwise be spent on road repair.

The attached table shows an approximate 10-year history of HURF and allocations of the fund. Please note the DPS diversion in the final column.

CHH/anc

c: John Bernal, Deputy County Administrator for Public Works
Priscilla Cornelio, Director, Transportation Department

HIGHWAY USER REVENUE FUND SWEEP ANALYSIS

		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
STATEWIDE STATUTORY HURF	Total Statewide HURF	1,179,561,000	1,245,553,000	1,331,625,000	1,382,474,000	1,344,477,000	1,248,583,000	1,194,417,000	1,205,073,000	1,210,600,000	1,210,000,000	1,241,300,000		13,793,663,000
	DPS Deduction (by statute)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	100,000,000
	Ec. Strength Deduction (by statute)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	10,000,000
	Total Available HURF (no sweeps)	1,168,561,000	1,234,553,000	1,320,625,000	1,371,474,000	1,333,477,000	1,237,583,000	1,183,417,000	1,194,073,000	1,199,600,000	1,199,000,000	1,230,300,000		12,442,363,000
HURF SWEEPS	Excess DPS deduction	38,700,000	42,200,000	54,000,000	0	0	74,900,000	68,600,000	69,200,000	113,200,000	109,800,000	107,600,000	79,247,100	757,447,100
	MVD deduction	400,000	400,000	600,000	600,000	7,300,000	600,000	600,000	600,000	89,400,000	100,000	600,000	625,600	101,825,600
	Other deduction from HURF	0	0	0	0	200,000	0	0	0	0	0	0	0	200,000
	Available HURF (actual)	1,129,461,000	1,191,953,000	1,266,025,000	1,370,874,000	1,326,177,000	1,162,083,000	1,114,217,000	1,124,273,000	997,000,000	1,089,100,000	1,122,100,000		11,771,163,000
SHF SWEEPS	State Highway Fund (no sweeps)	590,123,305	623,449,265	666,915,625	692,594,370	673,405,885	624,979,415	597,625,585	603,006,865	605,798,000	605,495,000	621,301,500		6,283,393,315
	State Highway Fund deductions	0	118,000,000	2,700,000	3,000,000	2,900,000	69,000,000	46,200,000	47,060,000	111,600,000	6,600,000	7,500,000		414,560,000
	State Highway Fund (actual)	570,377,805	483,936,265	636,642,625	689,291,370	666,819,385	517,851,915	516,479,585	520,697,865	391,885,000	543,395,500	559,160,500		5,537,377,315
TOTAL SWEEPS	Sweeps from HURF	39,100,000	42,600,000	54,600,000	600,000	7,500,000	75,500,000	69,200,000	69,800,000	202,600,000	109,900,000	108,200,000		671,400,000
	Sweeps from SHF	0	118,000,000	2,700,000	3,000,000	2,900,000	69,000,000	46,200,000	47,060,000	111,600,000	6,600,000	7,500,000		407,060,000
	Total Sweeps	39,100,000	160,600,000	57,300,000	3,600,000	10,400,000	144,500,000	115,400,000	116,860,000	314,200,000	116,500,000	115,700,000		1,078,460,000
12.6% IMPACTS	PAG 12.6% (no sweeps)	19,718,462	20,440,452	21,752,647	22,417,079	23,665,110	20,788,928	20,572,173	19,191,935	20,727,579	18,779,274	19,581,186		208,053,639
	PAG 12.6% (actual)	19,058,683	15,866,369	20,765,239	22,310,171	23,433,644	17,225,505	17,778,870	16,572,282	13,408,475	16,853,274	17,622,725		183,272,512
	Difference	(659,779)	(4,574,083)	(987,408)	(106,908)	(231,466)	(3,563,423)	(2,793,303)	(2,619,653)	(6,574,162)	(1,926,000)	(1,958,461)		(24,036,185)
2.6% IMPACTS	PAG 2.6% (no sweeps)	4,115,419	4,694,282	5,097,569	4,990,537	6,218,403	5,190,196	4,842,663	4,368,112	4,713,198	4,274,457	4,399,570		48,504,834
	PAG 2.6% (actual)	3,977,717	3,643,814	4,866,177	4,966,737	6,157,582	4,300,546	4,185,123	3,771,875	3,048,923	3,836,069	3,959,536		42,754,563
	Difference	(137,702)	(1,050,468)	(231,392)	(23,800)	(60,821)	(889,650)	(657,540)	(596,237)	(1,288,764)	(438,388)	(440,034)		(5,374,761)
MARANA	Marana (no sweeps)	1,130,343	1,182,318	1,308,789	2,068,801	2,047,055	2,062,174	1,921,311	1,985,549	2,479,985	2,483,871	2,506,966		21,177,161
	Marana (actual)	1,092,522	1,141,520	1,254,678	2,067,896	2,035,849	1,936,369	1,808,963	1,869,483	2,061,141	2,256,200	2,286,488		19,811,109
	Difference	(37,821)	(40,798)	(54,111)	(905)	(11,206)	(125,805)	(112,348)	(116,066)	(418,844)	(227,671)	(220,478)		(1,145,575)
ORO VALLEY	Oro Valley (no sweeps)	2,649,338	2,782,544	2,919,083	3,032,580	3,019,357	3,041,198	2,833,484	2,860,348	2,910,086	2,915,570	2,937,608		31,901,196
	Oro Valley (actual)	2,560,691	2,686,528	2,798,396	3,031,253	3,002,828	2,855,667	2,667,797	2,693,145	2,418,603	2,648,330	2,679,257		30,042,495
	Difference	(88,647)	(96,016)	(120,687)	(1,327)	(16,529)	(185,531)	(165,687)	(167,203)	(491,483)	(267,240)	(258,351)		(1,600,350)
SAHUARITA	Sahuarita (no sweeps)	270,369	282,886	366,664	1,088,842	1,072,757	1,080,563	1,006,772	1,085,170	1,792,093	1,794,380	1,811,600		11,652,096
	Sahuarita (actual)	261,322	273,125	351,505	1,088,366	1,066,884	1,014,642	947,901	1,021,736	1,489,427	1,629,908	1,652,277		10,797,093
	Difference	(9,047)	(9,761)	(15,159)	(476)	(5,873)	(65,921)	(58,871)	(63,434)	(302,666)	(164,472)	(159,323)		(695,680)
SOUTH TUCSON	South Tucson (no sweeps)	457,591	478,397	493,629	432,263	432,114	435,092	405,384	407,889	401,616	402,370	401,849		4,748,193
	South Tucson (actual)	442,280	461,889	473,220	432,074	429,748	408,549	381,679	384,046	333,787	365,489	366,508		4,479,269
	Difference	(15,311)	(16,508)	(20,409)	(189)	(2,366)	(26,543)	(23,705)	(23,843)	(67,829)	(36,881)	(35,341)		(233,583)
TUCSON	Tucson (no sweeps)	48,329,097	50,610,572	52,795,731	48,794,401	49,237,362	48,952,044	45,762,294	45,871,699	44,700,822	44,746,005	45,264,284		525,064,312
	Tucson (actual)	46,712,008	48,864,183	50,612,941	48,773,054	48,967,816	45,965,675	43,086,356	43,190,251	37,151,317	40,644,599	41,283,470		495,251,670
	Difference	(1,617,089)	(1,746,389)	(2,182,790)	(21,347)	(269,546)	(2,986,369)	(2,675,938)	(2,681,448)	(7,549,505)	(4,101,406)	(3,980,814)		(25,831,828)
PIMA COUNTY	Pima County HURF (no sweeps)	41,208,826	43,248,233	44,449,124	44,737,281	44,302,661	43,886,917	41,145,379	41,393,200	40,505,626	40,579,451	41,115,734		466,572,430
	Pima County HURF (actual)	39,829,980	41,755,891	42,611,417	44,717,709	44,060,130	41,209,551	38,739,414	38,973,544	33,664,646	36,859,950	37,499,768		439,922,000
	Difference	(1,378,846)	(1,492,342)	(1,837,707)	(19,572)	(242,531)	(2,677,366)	(2,405,965)	(2,419,656)	(6,840,980)	(3,719,501)	(3,615,966)		(23,034,465)
REGIONAL TOTALS	Regional Total (no sweeps)	117,879,444	123,719,683	129,183,235	127,561,784	129,994,818	125,437,111	118,489,461	117,163,902	118,231,005	115,975,379	118,018,795		1,223,635,822
	Regional Total (actual)	113,935,203	114,693,319	123,733,573	127,387,260	129,154,481	114,916,504	109,596,103	108,476,362	93,576,319	105,093,819	107,350,029		1,140,562,943
	Difference	(3,944,241)	(9,026,364)	(5,449,662)	(174,524)	(840,337)	(10,520,607)	(8,893,358)	(8,687,540)	(24,654,686)	(10,881,560)	(10,668,767)		(83,072,879)