



State of Nevada Department of Transportation

2019-2021 Biennial Budget Budget Subcommittee Presentation

January 29, 2019

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Director*

NDOT Operations, Mission, Vision, and Goals

Summary of Agency Operations:

The Nevada Department of Transportation (NDOT) is responsible for the planning, construction, operation and maintenance of approximately **5,400** miles of highway and **1,154** bridges which make up the state highway system. The Nevada roadway network is overwhelmingly important as 52% of all automobile traffic and 82% of all heavy-duty truck traffic travel on these roads.

The department is also responsible for an integrated transportation system which supports travel by pedestrians, rail, bike, air, and bus, including providing the majority of federal funding for Nevada's rural transit needs.

Mission Statement:

Provide, operate, and preserve a transportation system that enhances safety, quality of life and economic development through innovation, environmental stewardship and a dedicated workforce.

Vision Statement:

To be a leader and partner in delivering effective transportation solutions for a safe and connected Nevada.

Goals:

- (1) Safety first
- (2) Cultivate environmental stewardship
- (3) Efficiently operate and maintain the transportation system in Nevada
- (4) Promote internal and external customer service
- (5) Enhance organizational and workforce development



NDOT Budget Philosophy and Strategy

Budget Philosophy:

Recognizing that a strong transportation network is a key component in Nevada's infrastructure and economic development, the department's biennial budget is prepared with an emphasis on economy, efficiency, and safety.

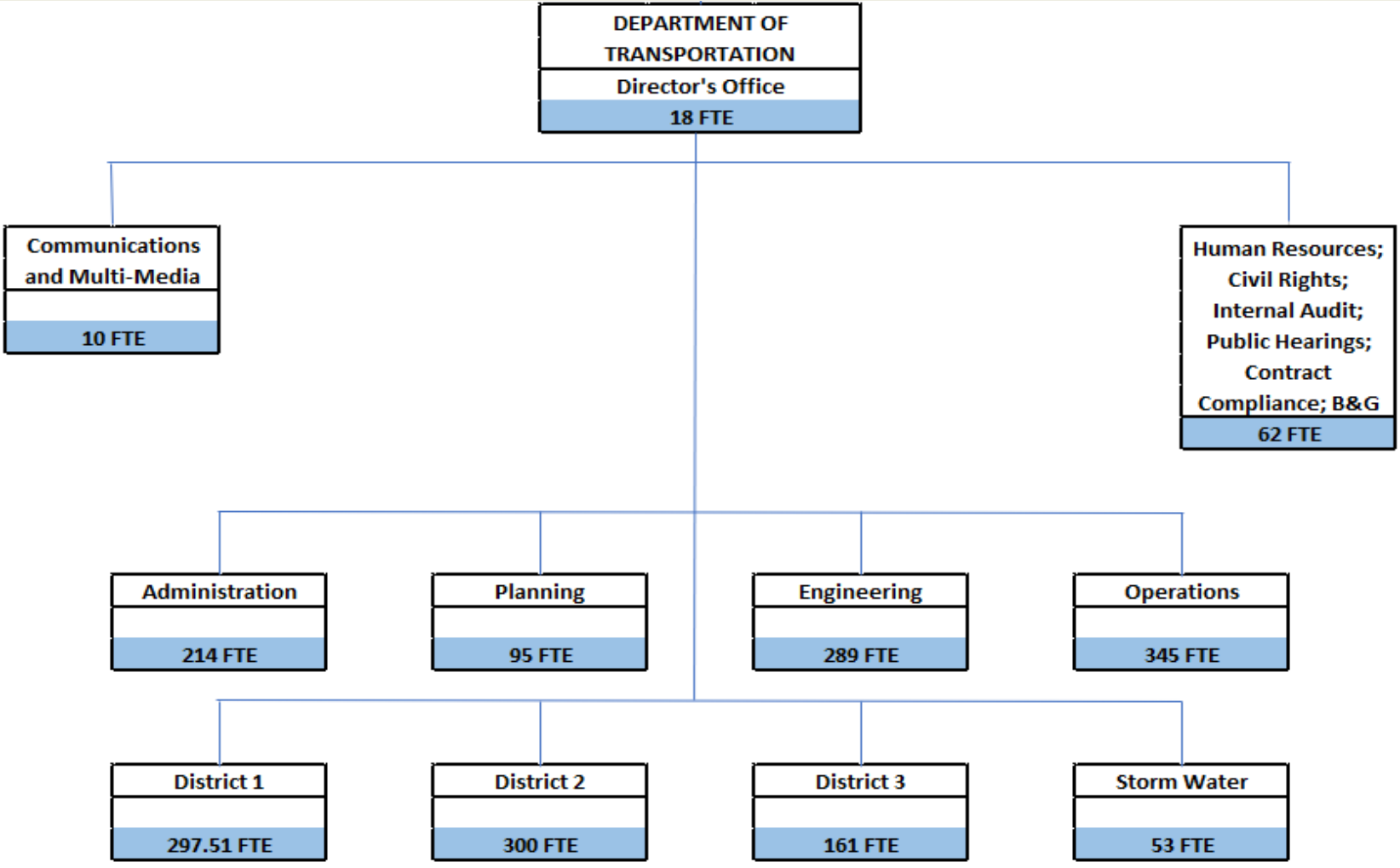
The Department of Transportation works to optimize all resources, including employees, facilities, and equipment, and improve and streamline methodologies, to provide a safe and efficient transportation system. NDOT management and staff analyze department operations on an ongoing basis, making changes as needed to ensure the best use of taxpayer funds.

Budget Strategy:

NDOT's budget strategy includes optimization of federal funding, economic development support, preservation of assets, and ongoing cooperation with many partners.



NDOT Organizational Chart



Total NDOT FTE = 1,844.51

NDOT Staffing Levels

NDOT also typically employs the following seasonal and/or temporary workers:

- 74 Summer Highway Construction Aids
- 63 Winter Highway Maintenance Workers
- 45 Summer Public Service Interns
- 30 Winter Highway Construction Aids
- 25 Construction Aids
- 6 HQ Divisional Temporary Aids
- 2 Flight Operation Public Service Interns

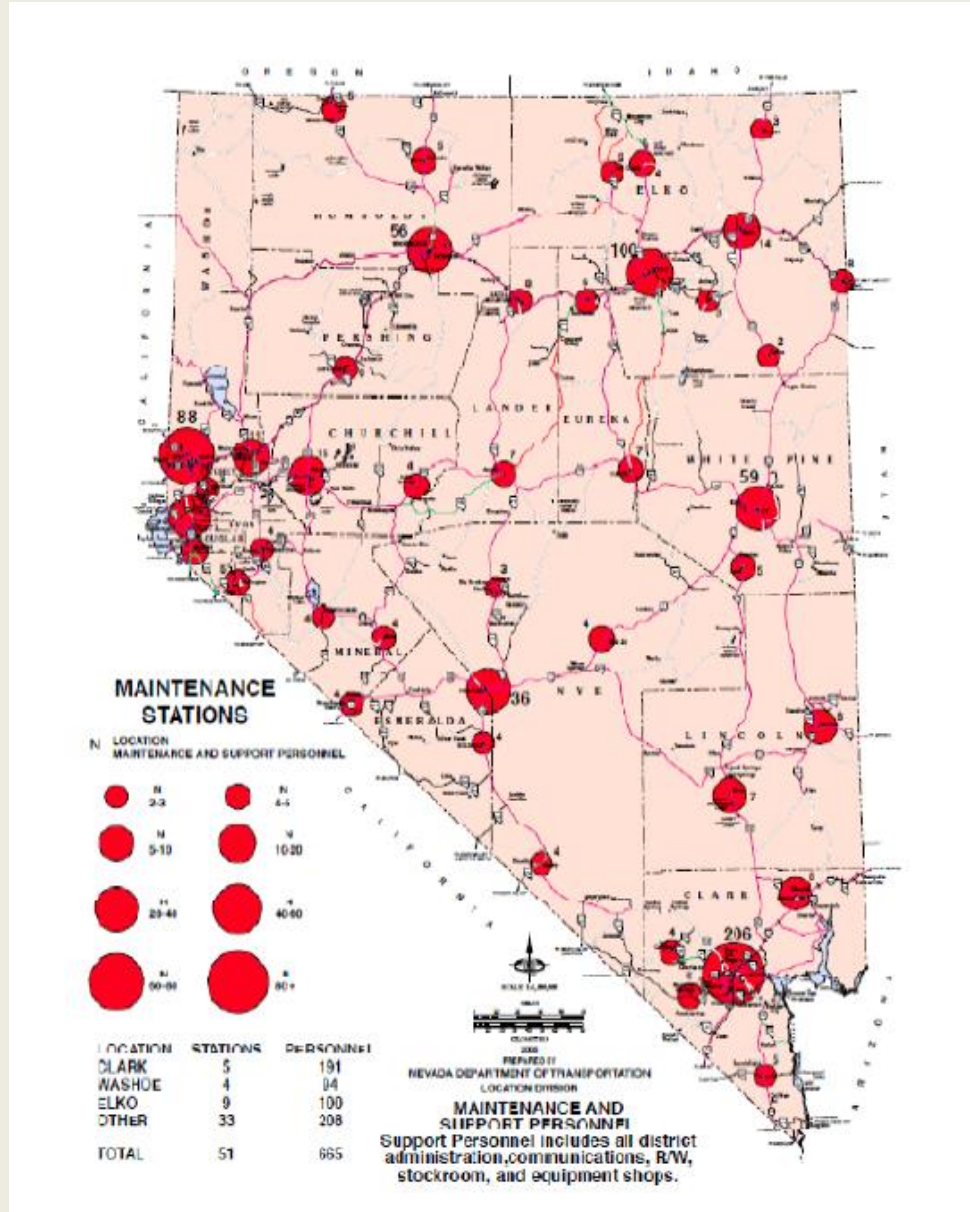
<u>NDOT Activities</u>	<u>FTE Count by Activity</u>	
	<u>SFY 2018</u>	<u>SFY 20/21</u>
Construction of Roadways & Facilities	441.51	471.51
Maintenance of Roadways & Facilities	553	553
Project Delivery	313	320
Equipment Repair & Maintenance, Fleet Management	134	134
Multi-Modal, Aviation, Transit, Rail, Bicycle and Pedestrian, Programs	13	13
Develop Transportation Projects & Identify Funding	58	58
Highway Operations and Emergency Management	34	35
District Communications, Permitting, & Right of Way	19	19
General Administration	90	90
Personnel and Payroll	27	30
Fiscal	54	54
Information Technology	55	58
Water Quality	53	53
Department Totals:	1,844.51	1,888.51



Maintenance and Support Personnel Locations



NDOT has 51 maintenance stations throughout Nevada and is responsible for approximately 5,400 miles of roadway and 36 rest areas.



NDOT Governing Legislation

Highway Fund Constitutional Provisions:

Article 9, Section 5 of the Nevada constitution created the State Highway Fund with proceeds from licensing, registration, and other charges with respect to the operation of any motor vehicle upon any public highway in this state plus excise taxes on fuel (less administrative costs). **This fund is reserved exclusively for the construction, maintenance, and repair of public highways in Nevada.** The Nevada Department of Transportation (NDOT) is funded primarily with a mixture of fuel taxes and related user fees (as noted above) plus federal aid and typically does not utilize any general funds.

Transportation Board:

Per NRS 408.106, NDOT is administered by a seven-member Board of Directors consisting of the Governor, the Lieutenant Governor, and the State Controller, who all serve ex officio, and four members who are appointed by the Governor.

NRS 408.100 - Declaration of legislative intent:

Per NRS 408.100, the Legislature has determined that the Board of Directors is custodian of the state highways and roads and thus has been given sufficiently broad authority to function adequately and efficiently in all areas of appropriate jurisdiction, subject to the limitations of the Constitution and the legislative mandate proposed in (NRS 408).

Accordingly, the Transportation Board meets monthly to preside over various transportation matters and approves all construction contracts above \$5 million and all service agreements over \$300,000. Other contracts and agreements are reviewed by the Transportation Board as informational items.

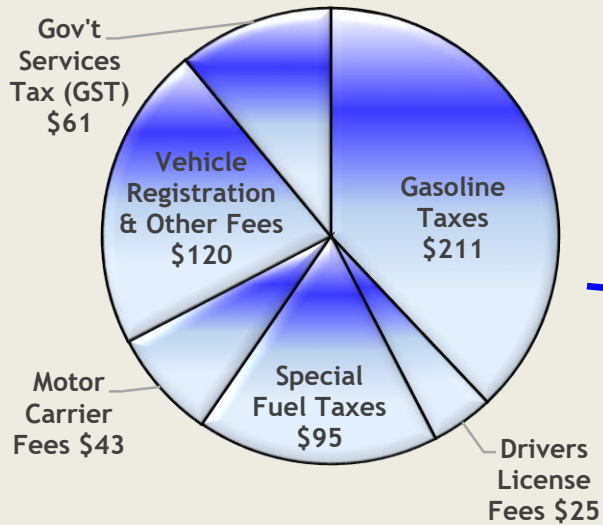
The department's Statewide Transportation Improvement Program (STIP), listing projects to be advanced over the federal fiscal 2019-2022 period, was accepted by the Transportation Board and Federal Highway Administration (FHWA) in September 2018. An associated long-range element (LRE) listing projects planned for advancement from 2023 and beyond was approved by the Transportation Board in September 2018.

State Highway Fund

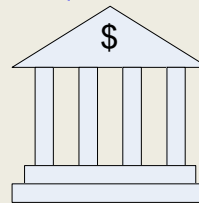
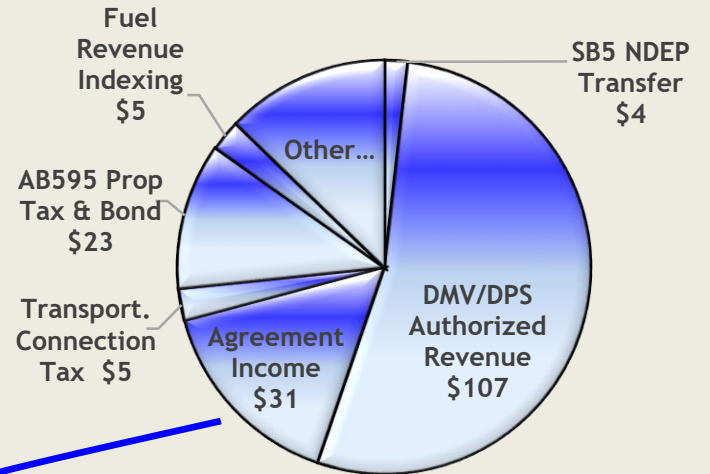
- The Nevada Department of Transportation (NDOT) and our partners at the Department of Motor Vehicles (DMV) and the Department of Public Safety (DPS) share in the responsibility to maintain a healthy highway fund balance. Highway Fund revenues are NOT projected by the Economic Forum.
- NDOT and our partners noted above meet periodically, along with the Governor's Finance Office and Legislative Counsel Bureau staff, to review and discuss highway fund revenue and expenditure projections.
- Projections for state highway fund user revenues (gas and special fuel taxes; and driver's license, registration and motor carrier fees) are provided by the DMV, in consultation with NDOT, DPS, Governor's Finance Office, and Legislative Counsel Bureau staff.
- The desired minimum balance for the Highway Fund is calculated to maintain 1.5 months of capital payments (12.5% of projected annual capital expenditures) and 1 month of other payments (8.3% of projected non-capital annual expenditures). The higher coverage for the capital program versus other payments is due to fluctuations in monthly contractor payments and right-of-way acquisition payments/settlements that are difficult to project.
- The actual Highway Fund balance changes based on the number and \$ value of projects being worked on, the time of year (construction season versus winter shutdown), the severity of the weather and its impact on the ability to begin or continue work.
- Projects are planned and approved by the Transportation Board many years in advance based upon Highway Fund projections and the minimum fund balance target.

State Highway Fund Revenue State Fiscal Year 2018 (\$ Millions)

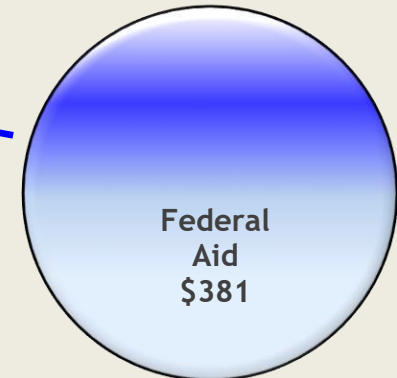
STATE USER REVENUE - \$554



OTHER RECEIPTS - \$199

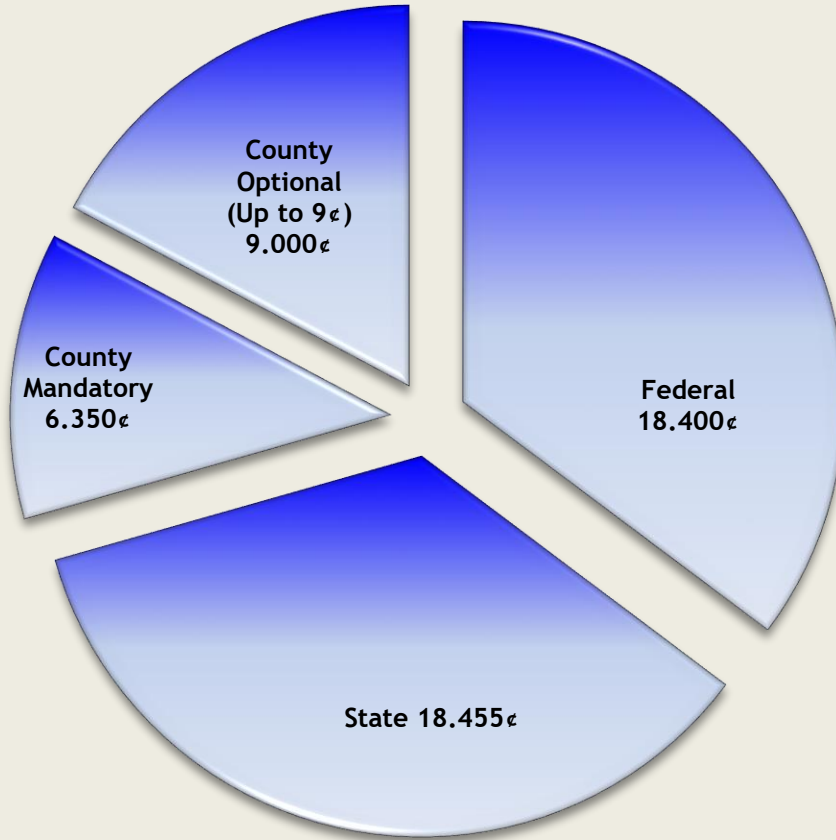


Total Revenue
\$1,271



Gasoline Tax

Gasoline Tax Per Gallon

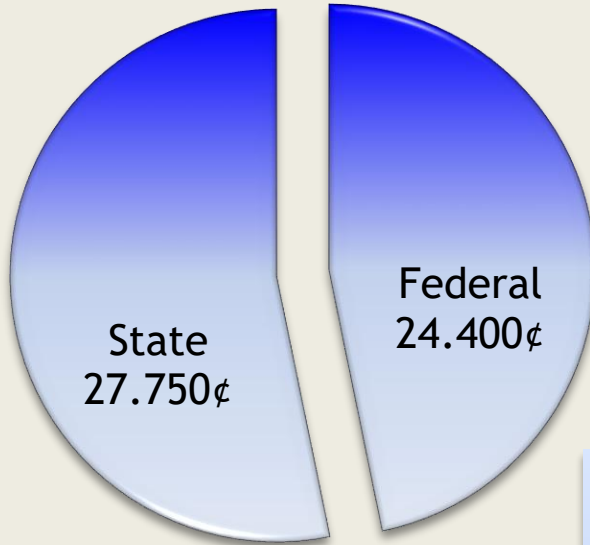


State Gas Tax History	
Year	Rate Per Gallon
1935	4.000¢
1955	4.550¢
1981	8.050¢
1982	9.050¢
1985	10.050¢
1987	11.770¢
1988	12.700¢
1989	13.305¢
1991	15.805¢
1992	18.305¢
1995 *	18.455¢

* No change since 1995

Special Fuel Tax

Diesel Tax Per Gallon



Special Fuel Tax Rates Per Gallon

Diesel

Federal Tax 24.4 ¢
State Tax 27.75 ¢

Propane (Liquefied Petroleum Gas)

Federal Tax 13.6 ¢
State Tax 22 ¢

Methane (Compressed Natural Gas)

Federal Tax 4.3 ¢
State Tax 21 ¢

State Diesel Tax History

Year	Rate Per Gallon
1923	2.000¢
1935	4.000¢
1951	5.000¢
1955	6.000¢
1981	10.500¢
1982	12.000¢
1985	13.000¢
1987	17.000¢
1988	20.000¢
1989	20.600¢
1990	22.600¢
1991	25.100¢
1992	27.600¢
1995 *	27.750¢

* No change since 1995

Highway Fund User Fee Revenue Outlook

State Highway Fund user fees have been experiencing steady, modest increases as shown below:

\$ in Millions	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	Estimate FY 2019	Estimate FY 2020	Estimate FY 2021
Gasoline Taxes ⁽¹⁾	\$187.8	\$193.4	\$200.1	\$205.7	\$210.6	\$213.2	\$215.8	\$215.8
Special Fuel Taxes ⁽¹⁾	\$79.1	\$81.1	\$84.7	\$88.4	\$95.2	\$94.7	\$94.7	\$94.7
Motor Vehicle Fees & Taxes ⁽¹⁾	\$166.9	\$176.6	\$181.8	\$184.2	\$187.7	\$194.6	\$197.5	\$198.4
Total State User Revenue	\$433.8	\$451.1	\$466.6	\$478.3	\$493.5	\$502.5	\$508.0	\$508.9
% Increase from Prior Year		4.0%	3.4%	2.5%	3.2%	1.8%	1.1%	0.2%
AB5955 Property Tax (Clark)	\$15.5	\$16.5	\$16.4	\$17.8	\$18.6	\$18.9	\$19.5	\$20.1
AB5955 Bonding-Clark ⁽²⁾	\$0.0	\$1.2	\$1.4	\$17.0	\$0.2	\$0.0	\$0.0	\$0.0
AB5955 Property Tax (Washoe)	\$3.6	\$3.7	\$4.0	\$4.1	\$4.4	\$4.4	\$4.5	\$4.7
SB5-Excess balance from NDEP ⁽³⁾	\$3.5	\$2.8	\$4.4	\$4.0	\$3.7	\$3.8	\$3.9	\$4.0
Transportation Connection Tax ⁽⁴⁾			\$5.0		\$5.0		\$5.0	
Fuel Revenue Indexing -Clark ⁽¹⁾					\$4.9	\$9.7	\$14.6	\$19.5
Gov't Services Taxes - GST ⁽¹⁾				\$38.6	\$60.8	\$62.8	\$64.1	\$65.0
Total Special Revenue	\$22.5	\$24.2	\$31.1	\$81.4	\$97.6	\$99.6	\$111.6	\$113.2
% Increase from Prior Year		7.4%	28.6%	161.4%	19.9%	2.1%	12.1%	1.5%
Grand Total	\$456.3	\$475.3	\$497.7	\$559.7	\$591.1	\$602.1	\$619.6	\$622.1
% Increase from Prior Year		4.2%	4.7%	12.5%	5.6%	1.9%	2.9%	0.4%

(1) Estimates are DMV November 2018 projections

(2) AB595(2007) Bonding complete in FY 2018 - \$300M total (2009-2018)

(3) SB5(2010). Allocated 70% - Clark County, 20% - Washoe County, & 10% - other counties.

(4) \$5 million deposited to Highway Fund first year of biennium only

As the department plans projects many years in advance, the minimum Highway Fund balance target is utilized for project decisions that impact cash flows for years into the future.

The Federal Aid Highway Program

- The Federal Highway Trust Fund (HTF) was established in 1956. Revenues include taxes on gasoline (18.4 cents per gallon), diesel (24.4 cents per gallon), tires over 40 pounds, truck and trailer sales, heavy vehicle use, and interest.
- On December 4, 2015, President Obama signed into law the Fixing America's Surface Transportation Act, or "FAST Act" - the first Federal law in over ten years to provide long-term funding for surface transportation. This legislation provides federal transportation funding **through September 2020** and provides additional funding for the Highway Trust Fund (HTF) . Prior to the passage of FAST, 36 short-term extensions continued the federal program.
- The FAST Act largely maintains current program structures and funding shares between highways and transit.
- FAST Act legislation includes a FFY 2020 \$7.469 billion rescission (approx. 18% of average annual apportioned funding). This rescission equates to approximately \$71M for Nevada.
- The Federal Highway Administration (FHWA) continued to operate as usual during the recent federal government shutdown, and NDOT did not delay any projects during this period.

Note: The Federal Transit Administration (FTA) was heavily impacted by the recent federal government shutdown, and FTA reimbursements were delayed as a result. However, NDOT continued to process invoices for rural transit providers during the shutdown as these providers meet a critical need for seniors, disabled, and other Nevada residents that rely on transit services for transportation.

The Federal Aid Highway Program

- Most of the funding provided by the FHWA is in *Apportionments* and is distributed to various programs (e.g., National Highway Performance, Surface Transportation, Congestion Mitigation and Air Quality, Highway Safety Improvement) and can only be used on eligible projects or in specific areas.
- The amount of funds that may actually be obligated in any year is established during the annual appropriations process. This *Obligation Limitation* controls the rate at which funds may be used.
- The Federal Aid Highway Program is *reimbursable* funding, requiring an upfront expenditure of state funds followed by reimbursement of eligible expenditures from the FHWA.

NOTE: Due to the large proportion of federal land in the state, Nevada enjoys a low matching requirement on most programs - typically 5%, with 95% federal reimbursement.



The Federal Aid Highway Program

NDOT obligates all federal funds, and works hard to ensure that the department is in a position to utilize funding that other states were unable to obligate (see below).

Year	Last Day Funds	August Redistribution	Total
2004	\$9,000,000	\$8,080,887	\$17,080,887
2005	953,297	6,005,810	6,959,107
2006	32,700,000	11,607,723	44,307,723
2007	20,000,000	4,730,958	24,730,958
2008	0	1,551,360	1,551,360
2009	0	2,843,271	2,843,271
2010	9,000,000	3,140,883	12,140,883
2011	0	2,851,438	2,851,438
2012	0	4,198,200	4,198,200
2013	0	7,305,060	7,305,060
2014	0	11,162,977	11,162,977
2015	0	10,346,020	10,346,020
2016	0	20,000,000	20,000,000
2017	0	21,635,649	21,635,649
2018	0	32,196,070	32,196,070
Total	\$71,653,297	\$147,656,306	\$219,309,603

Major Projects/ Highway Fund Balance

Ongoing Programs:

Safety, Congestion Mitigation, Pavement Preservation, Asset Management, Stewardship, Environmental, Planning, Transportation Alternatives, Freeway Service Patrol, Electric Highway

Major Projects FY 2019 - FY 2021:

Southern Nevada: \$1,343M - \$1,399M

- Project NEON Design Build: \$651M
- SR160 Blue Diamond Road: \$72M
- US95 2B/5 Ann to Kyle Canyon: \$78M
- Starr Avenue Int. - \$47M (Including Local Funds)
- US95 NW Corridor Phase 3C: \$78M
- US95 NW Corridor Phase 3D/E: \$142M
- I15 N Phase 4: \$95M-\$111M
- I15 Tropicana Ave; Harmon Overpass - \$180-220M

Northern Nevada: \$310M

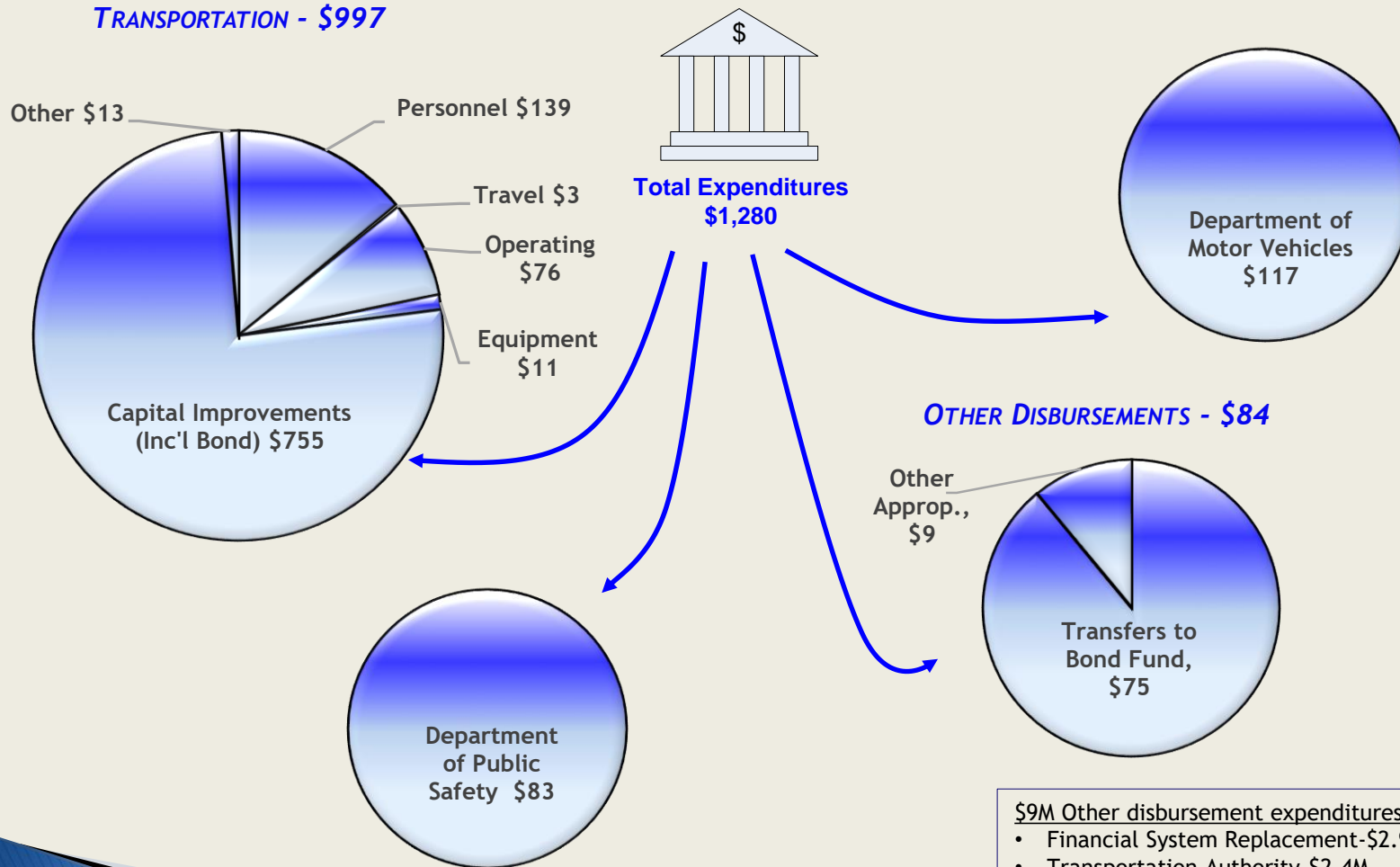
- US 50 Lyon Co. Roy's Rd to US 95A: \$61M
- SR 28 Lake Tahoe Shared Use Path: \$46M
- I-80 Maintenance Stateline to Keystone Int: \$53M
- Reno Spaghetti Bowl Xpress: \$150M

Highway Fund Balance (\$ in Millions)	FY 2019	FY 2020	FY 2021
Projected Unrestricted Balance *	\$321.6	\$255.6	\$175.7
Minimum Balance Target	\$130.6	\$136.9	\$138.2

* Projected Balance Prior to \$4.7M Budget Amendment



State Highway Fund Expenditures State Fiscal Year 2018 (\$ Millions)



- \$9M Other disbursement expenditures:**
- Financial System Replacement-\$2.9M
 - Transportation Authority-\$2.4M
 - DMV Emergency Response - \$1.7M
 - DPS: Safety, Invest. & Training - \$1.6M
 - Public Works CIP-\$0.6M,

Bond Funding

Budget Account 4663 - Bonding - FY 2020 - \$160M; FY 2021 - \$160M

Bond funding will enable the department to accelerate the completion of much-needed roadway projects. The alternative is to construct projects over longer periods of time (due to funding constraints) and at a higher cost (due to construction inflation and/or increases in cost due to project phasing).

Bonds sold are planned to be paid with state highway funds and fuel revenue indexing funds as shown in the table below (figures exclude interest earnings):

Description	Fiscal Year 2020	Fiscal Year 2021
State Highway Fund Bonds - Bond principal and interest to be repaid with State Highway Funds* (Projects located throughout Nevada)	\$100,000,000	\$100,000,000
Fuel Revenue Indexing Bonds - Bond principal and interest to be repaid with Fuel Revenue Indexing Funds (Clark County Projects Only)	\$60,000,000	\$60,000,000
Total	\$160,000,000	\$160,000,000

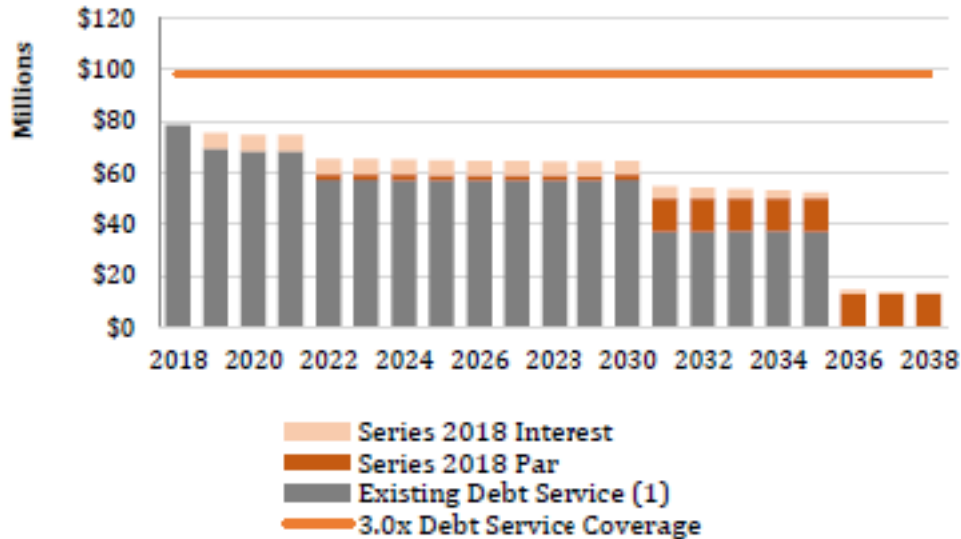
* Principal payments planned to be reimbursed with federal funds at 95%, with a 5% state match.



Anticipated projects to be funded with bond proceeds (in part) include: US 95 northwest corridor phase D/E (Clark County), and Spaghetti Bowl Xpress (I-580 Washoe County). Bond proceeds will also be used to fund other regionally-significant projects.

Debt Service

Debt Service Schedule



Maximum Annual Debt Service

- \$78.5M in 2018
- \$75.2M in 2019

Debt Service Coverage

- Policy is no less than 3.00X on senior liens
- Formula: Total 2018 fuel taxes \$306M / 3.00 = \$102M Maximum Payment

NDOT FY 2019 – 2021 Budget Request Decision Units

Decision Unit to Maximize Department Assets & Promote a Sustainable and Growing Economy

E125 - Rest Area Upgrades - FY20 - \$250K; FY21 - \$2M

Nevada is a global tourism and transportation hub, with tens of millions of visitors visiting the state via its highway system. Nevada rest stops, rest areas, and welcome centers provide Nevada citizens and visitors with more comfortable and safer travel.

These facilities play an important role in relation to highway safety, primarily in combating driver fatigue. Rest areas lower the incidence of distracted or drowsy driving and provide a safe and convenient alternative to unsafe parking along the roadside.

The department has evaluated its 35 rest facilities throughout the state and established the top priorities for reconstruction in conjunction with the Department of Tourism and Cultural Affairs. The criteria used to evaluate the rest facilities include: safety, environmental issues, age and condition of structure and components, and the needs of users.

This decision unit will allow the department to design improvements for the following high-priority rest facilities:

- District 1: Design full service rest area - Millers⁽¹⁾
- District 2: Design full service welcome station - Trinity⁽²⁾
- District 3: Design full service rest area - Beowawe⁽³⁾

Estimated construction cost beginning next biennium:
(1) \$4M-\$6M, (2) \$8M-\$9M, (3) \$7.5M-\$9M

Qualifying improvements (such as truck parking areas) are planned to be funded with federal National Highway Freight Program funds, offsetting a portion of the future rest area construction costs.

NDOT FY 2019 – 2021 Budget Request Decision Units

Decision Unit to Maximize Department Assets

E377 - Radio System Replacement:

The Nevada Shared Radio System (NSRS) is a public/private partnership with the State of Nevada (NDOT), Washoe County, and NV Energy. This system reached end of support by the manufacturer in December 2017 and was approved for replacement in fiscal year 2019.

This radio system is vital to ongoing operations and emergency response and provides coverage where/when cellular coverage is unavailable. The NSRS has nearly 12,000 users and is utilized by state, federal, and local government agencies for emergency services and in support of their daily operations.

The Department of Transportation, as the lead agency on behalf of the State of Nevada, is coordinating efforts with the other infrastructure owners and system users. The system budget is shown below:

Fiscal Year	Estimated Completion %	Total Project Budget	Highway Fund Total (includes Estimated Subscriber Equipment as applicable)	Non Highway Fund Total (Incl. Estimated Subscriber Equipment)
2019	13%	\$6,494,695	\$5,981,614	\$513,081
2020	21%	\$14,282,857	\$12,297,649	\$1,985,208
2021	23%	\$15,417,449	\$13,312,005	\$2,105,443
2022	20%	\$12,700,000	\$11,084,656	\$1,615,345
2023	15%	\$9,525,000	\$8,313,491	\$1,211,508
2024	8%	\$5,080,000	\$4,433,862	\$646,138
Total Project	100%	\$63,500,000	\$55,423,276	\$8,076,724

NDOT FY 2019 – 2021 Budget Request Decision Units

Nevada Shared Radio System (NSRS) Replacement Schedule:

Completed Activities:

- September 13, 2018 - Agreement between the Department and Harris Corp executed
- October 24, 2018 - Work Program request approved by the Interim Finance Committee
- October 26, 2018 - Project Kick-off Meeting with Harris Corp (*Completed*)
- November 26, 2018 - Site survey and Detailed System Design preparation begins for Region 0 (Las Vegas) & 1 (District 1)
- January 7, 2019 - Frequency planning session held at Carson - enough spectrum exists now to complete system
- January 7, 2019 - Site surveys begin in Region 1
- January 15 - 17, 2019 - Initial fleet map training in Reno
- January 18, 2019 - Site Surveys are completed in Region 0

Planned Activities (Schedule subject to change):

- January 29, 2019 - Network planning session will be held in Reno
- January 30, 2019 - Region 0 & 1 existing site improvements and new site development begin
- March 30, 2019 - Core installation begins (System controllers in Las Vegas and Reno)
- June 12, 2019 - Region 0 & 1 Detailed Design review begins
- June 20, 2019 - Region 0 & 1 (District 1) implementation begins
- June 30, 2019 - USA Parkway, Gardnerville Maintenance Yard, Washington Yard site construction
- September 11, 2020 - Region 2 (District 2) implementation begins
- December 1, 2021 - Region 3 (District 3) implementation begins
- December 27, 2023 - Final Acceptance

Note: Region 0 noted above is a small part of Region 1 consisting of the system core and ten sites within the Las Vegas metro area. Region 0's purpose is to resolve any administrative and logistical issues prior to the much larger statewide deployment.

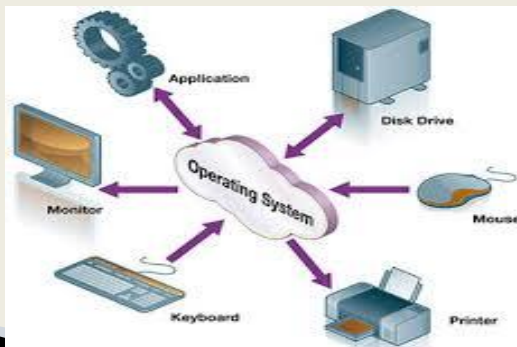
NDOT FY 2019 – 2021 Budget Request Decision Units

Decision Unit to Maximize Department Assets

E550 - Technology Investment Request FY 2020 \$3.5M; FY 2021 \$4M

The Department of Transportation maintains applications that allow the department to operate the state's transportation system in an efficient and effective manner. These systems need to be updated to remain operational and to keep up with the changes in technology, federal requirements, legislative mandates, and changing business needs. Projects are prioritized by the department's IT Steering Committee and are worked based on business need, alignment with the department's mission, and resource availability. This decision unit is to support Technology Investment Notification (TIN) ID #324 submitted by NDOT through EITS.

In accordance with state policy, NDOT has taken a cloud-first approach to new systems and will move existing cloud-ready systems to the cloud as resources become available.



NDOT FY 2019 – 2021 Budget Request Decision Units

Decision Unit to Maximize Department Assets

E710 - Replacement of Mobile and Fleet Equipment - FY 2020 \$7.9M; FY 2021 \$7.9M

Each year the department replaces a portion of the licensed mobile and fleet equipment based on cumulative miles or hours (meter reading), age, cost of repairs, parts availability, life cycle cost analysis, condition and district equipment needs. Although included and approved in the budget request, equipment purchases over \$50,000 require Transportation Board approval pursuant to NRS 408.389.

Additionally this decision unit requests budget authority for the replacement of approximately ten percent (10%) of the 800 MHz radios owned and utilized by the Department of Transportation (NDOT). The type of radios to be replaced reached their end of service for parts support in 2009 and 2010. 200 radios x \$4,200 estimated replacement cost per unit = \$840,000. The replacement radios are compatible with the department's radio system upgrade.



NDOT FY 2019 – 2021 Budget Request Decision Units

NDOT Flight Operations:

NDOT currently operates the following aircraft:

- 31-year-old Cessna Citation II 550
- 37-year-old Aero Commander 840

Flight Operations Staff:

Flight operations staff consists of a Chief Pilot, plus three additional pilots and an administrative assistant.

Flight Operations was run with only two pilots until last legislative sessions when two additional pilot positions were approved.

Benefits of additional pilots:

- allow NDOT to operate both aircraft on a daily basis even when pilots are on sick or annual leave or absent due to mandatory training.
- allow the Chief Pilot to function in an administrative capacity.

Note: Flight operations has not been able to fully optimize the number of flights available due to pilot position vacancies and aircraft availability related to maintenance issues.

NDOT FY 2019 – 2021 Budget Request Decision Units

Decision Unit to Maximize Efficiency of Assets

EFFICIENCY MEASURE

E712 - Replacement of Aircraft - FY 2020 \$7.4M; FY 2021 \$6.5M

This efficiency measure replaces the existing two Nevada Department of Transportation (NDOT) airplanes with aircraft of equivalent utility and superior operational performance and efficiencies, leading to significant savings in aircraft maintenance, and fuel, employee travel, overtime, and per diem costs as well as a significant increase in employee productivity.

Replacing these two aircraft will achieve fuel cost savings, reduce noise pollution, streamline flight times, increase seat capacity, and improve operational capabilities.

Replacement aircraft (Pilatus PC-24 - \$9.2M and Beechcraft King Air 350ER - \$7.8M) will increase seating capacity by one seat for the Citation and six seats for the Commander, resulting in additional cost savings in the day-to-day travel for state employees.

Replacement of the department’s aircraft is projected to reduce aircraft operating costs by approximately \$2.86M in the upcoming biennium alone as shown below:

Estimated Savings	SFY 2021	SFY 2021	Total
Maintenance	(\$1,502,764)	(\$789,883)	(\$2,292,647)
Travel	(\$49,000)	(\$364,000)	(\$413,000)
Aircraft Fuel	(\$64,865)	(\$130,971)	(\$195,836)
Other Operating	(\$10,000)	(\$10,000)	(\$20,000)
Hangar & Insurance	\$24,500	\$33,550	\$58,050
Total	(\$1,602,129)	(\$1,261,304)	(\$2,863,433)

The sale of both existing aircraft is anticipated to generate approximately \$650K to offset the purchase cost of new aircraft.

NDOT FY 2019 – 2021 Budget Request Decision Units

Decision Unit to Maximize Human Resources

E815 - Unclassified Pilot Salary Update - FY20 - \$36,796; FY21 - \$36,834

The department of Transportation (NDOT) is requesting a correction to an appropriate tier for the unclassified pilots. In the 2017 Legislative Session, these positions were approved to be moved from classified service to unclassified; however, these positions were assigned to the incorrect salary tier.

To attract and retain qualified jet pilots and address salary disparities, the pilots need to be in the salary Tier A for unclassified service.

Tier A is being recommended because Pilots are professionals with specialized skills and licensure requirements. Pilots are scarce in the classified service, and compensation issues have arisen.

In addition, a limited number of jet pilots are entering the workforce creating compensation disparities which are increasingly apparent due to recruitment and retention difficulties and which are not addressed in the classified service.

NDOT FY 2019 – 2021 Budget Request Decision Units

Decision Unit to Maximize Department Assets

E720 - New Equipment - FY 2020 \$11.6M; FY 2021 \$3.6M

Pursuant to standard budgeting practice for NDOT, equipment requests include \$1.25 Million for computer equipment, and \$1.5 Million for non-rental equipment in addition to the following list of equipment needs that require Transportation Board approval prior to purchase:

- Headquarters: van, bridge inspection truck & a truck w/drill mounted rig FY20 = \$1.6 Million
- District 1: front end loader, water trucks, scissor lift, self propelled broom FY20 = \$1 Million
- District 2: rotary snow blowers, paint striper, self propelled broom FY20 = \$3,565,000k
- District 3: semi truck, transport trailer, excavator, loader, fork lift, sweeper FY20 = \$1 Million
- Agency wide: LiDAR package, laser scanner & sport utility vehicle FY20 \$745k; Infrared Spectroscopy FY20 = \$55k; Camsizer for traffic beads FY20 = \$85k; Lab trailers \$825k each FY; Hydraulic Hammer/Breaker FY20 \$62,500k.



NDOT FY 2019 – 2021 Budget Request Decision Units

Decision Unit to Maximize Department Assets

E730 - Maintenance of Buildings and Grounds - FY 2020 \$19.8M; FY 2021 \$7.5M

These capital expenditures will fund the planning, inspection, maintenance, construction, alterations and additions to department-owned facilities throughout the state including maintenance stations, materials and testing labs, equipment/sign shops and offices.

Planned expenditures are shown in the chart below:

Area	FY 2020	FY 2021
Headquarters	\$215,000	\$0
District 1	\$7,052,500	\$180,000
District 2	\$3,966,500	\$3,000,000
District 3	\$5,077,000	\$775,000
Statewide	\$3,500,000	\$3,500,000
Total	\$19,811,000	\$7,455,000

NDOT has 57 maintenance stations statewide composed of approximately 358 buildings with an average age of 47 years. The oldest buildings in Districts 1 and 3 are 77 years, while the oldest in District 2 is 68 years old.



NDOT FY 2019 – 2021 Budget Request Decision Units

Decision Unit to Maximize Human Resources

E811 - Right of Way Position Reorganization FY 2020 \$94,594; FY 2021 \$98,018

This request funds the reclassification of two Right-of-Way Survey Services Engineering Technician V (grade 38) to Supervisor III, Associate Engineers (grade 40) and seven Right-of-Way Survey Services Engineering Technician V positions (grade 35) to Supervisor II, Associate Engineers (grade 38).

This reorganization is needed due to significant changes in duties of the positions, including the addition of supervisory duties; water rights management (research, analysis & documentation); the review and interpretation of permit documentation; and additional complexity added to project development activities.



NDOT FY 2019 – 2021 Budget Amendment

Decision Unit to Maximize Human Resources

EFFICIENCY MEASURE - Pending Budget Amendment

E230 - New positions & Related Equipment - FY20 - \$1,607,717; FY21 - (\$1,591,724)

This efficiency measure requests the addition of two construction crews (one in District 1 - southern Nevada and another in District 2, Northwest Nevada).

Construction crews are required to efficiently administer the department's construction program and ensure federal and state regulations and guidelines are followed and federal funding is not jeopardized. Two additional crews will enable the department to operate more efficiently and reduce payments to contractors to perform these functions.

Projected expenditures/savings for this decision unit are shown in the table below:

Expenditure Category	FY 2020	FY 2021
Personnel	\$1,664,866	\$2,238,504
In-State Travel	\$30,000	\$30,000
Operating- Emp. Bond, AG Assess, Tools, Supplies	\$315,584	\$131,606
Equipment	\$1,589,100	\$0
Information Services	\$8,166	\$8,166
Crew Augmentation Savings	(\$2,000,000)	(\$4,000,000)
Total	\$1,607,716	(\$1,591,724)

NDOT FY 2019 – 2021 Budget Amendment

Decision Unit to Maximize Human Resources

E231 - New positions & Related Equipment - FY20 - \$1,409,362; FY21 - \$1,601,127

This pending budget amendment will provide sufficient personnel to properly maintain new roadways, support radio communication, meet federal requirements, maximize federal funding opportunities, cost-effectively transport state personnel, and coordinate efforts with local government entities.

#	Description	Purpose	SFY 2020 \$	SFY 2021 \$
1	Geographic Information Systems (GIS)	Provide NDOT with GIS expertise	\$92,976	\$99,804
2	Human Resources Personnel	2016 passage of SB 478	\$167,738	\$198,909
6	Right-of-Way Personnel	Meet new Federal requirements 23 CFR parts 635, 710 & 810	\$532,925	\$601,558
1	Accounting - ASO II	Implement new accounting & audit standards	\$98,051	\$118,140
3	Information Technology Positions*	Identify, detect and mitigate IT risks	\$229,453	\$281,654
1	Traffic Operations IT Manager*	Support the ITS/Radio system network	(\$98,945)	(\$75,198)
4	District 1 Positions	Provide 24 hour staffing for increased safety	\$277,358	\$248,200
1	Traffic Center Technician - District 2	Growing demand for incident management	\$57,122	\$66,509
1	Traffic Center Technician - District 3	Provide 24 hour staffing for increased safety	\$52,684	\$61,551
20		TOTAL	\$1,409,362	\$1,601,127

- Traffic Operations position expenditures offset by anticipated consultant savings. One IT position will eliminate the need for contract office support.

NDOT FY 2019 – 2021 Budget Amendment

Decision Unit to Maximize Department Assets

E731 - Expansion & Maintenance of Old Hot Springs Facility - FY20 - \$100,000; FY21 - \$1,544,321

This budget amendment decision unit requests budget authority for the expansion and maintenance of the department's Carson City Old Hot Springs Annex (OHS). This project is expected to solve intermediate-term space needs in Carson City while also addressing much-needed maintenance of the site, exterior envelope, and HVAC system of the building.

The OHS facility has tremendous opportunity for expansion. This facility provides an opportunity for a flexible and efficiently-organized office environment designed to support the department without expanding the real estate footprint. This project will optimize an existing facility and is expected to save money on office leases.

Fiscal Year/Biennium	Estimated Completion %	Budget
2020	2%	\$100,000
2021	15%	\$1,544,321
2019-2021 Biennium	17%	\$1,644,321
2022	18%	\$2,354,123
2023	40%	\$2,905,188
2021-2023 Biennium	58%	\$5,259,311
2024	25%	\$7,352,547
2023-2025 Biennium	25%	\$7,352,547
Total	100%	\$14,256,179

The Nevada Department of Transportation thanks you for your continued support!

NDOT and the state's transportation partners, from planning to construction to operations and maintenance are ready to deliver well-designed transportation projects that will bolster the economy, put people to work across the state, and improve travelers' mobility and accessibility.

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