

MEMBERS PRESENT: Chairman Bremner
 Vice Chairman Hickey
 Mr. Bergevin
 Mr. Brady
 Mr. Coulter
 Mr. Glover
 Mrs. Hayes
 Mr. Horn
 Mr. Marvel
 Mr. Rhoads
 Mr. Robinson
 Mr. Vergiels
 Mrs. Westall

ALSO PRESENT: Bill Bible, Fiscal Analyst; Judy Matteucci,
 Deputy Fiscal Analyst; Mike Alastuey, Deputy
 Budget Director (SEE ATTACHED GUEST LIST)

DEPARTMENT OF TRANSPORTATION

Mr. Al Stone, Director of the Department of Transportation, addressed the committee and his comments are attached as EXHIBIT B. He presented the budget requests to the committee in the form of a presentation which is attached as EXHIBIT A.

Chairman Bremner asked if mass transit funds are going to be reduced at the federal level and, if so, what the effect will be on the D.O.T. Urban Mass Transit Administration budget on page 930. Mr. Stone stated that if the funds are reduced, then the state matching funds would revert back to the General Fund. He stated that his information indicated local rail assistance programs would be cut.

Chairman Bremner stated that he has received correspondence from the Regional Transportation Commission in Las Vegas requesting help in the area of mass transit. He asked if the programs and tax changes are going to be adequate for Clark County to start public transportation in Las Vegas. Mr. Stone stated that the proposal as shown, would certainly help the local's meet matching requirements. He explained that the Department's gas tax proposal would increase the 1 cent and 1/2 cent gas taxes at the same ratio being recommended for state gas taxes which would provide Clark County with an additional \$3 million per year for highway maintenance.

Mr. Glover asked if there is a reduction in federal funds if the funds shown in the mass transit budget would be reduced by the 80-20 matching percentages or in total dollars. Mr. Stone stated that it would be in total dollars since that budget only reflects the state match.

Mr. Hickey asked what the possibility of supplemental funds from MX would be for a mass transit system in Clark County. Mr. Stone stated that in his opinion, this would be developed as a secondary impact, and could be accomplished. He added that the impact on transportation in the Las Vegas metropolitan area should be estimated, submitted to the Air Force, and reviewed for possible supplementation. He added that the mass transit request will be competing with other areas of impact such as hospitals, education, and health facilities.

Mr. Coulter asked how the mass transit funding will work for the elderly and handicapped. Mr. Stone introduced Mr. Ivan Laird, Budget Director in the Department of Transportation, who stated that the elderly and handicapped mass transportation monies are for eligible private non-profit corporations only and is provided to those agencies to buy vehicles. He said they have some 75 vehicles in the state that are supported by this program.

Mr. Coulter asked what would happen if Regional Transit takes over Elderport in Washoe County. Mr. Laird stated that if this happens, then Elderport is no longer eligible for the funds from DOT to purchase cars, because they would no longer be a private non-profit corporation.

3/30/81
Page 2

Chairman Bremner asked if, in the event the local rail assistance program is cut, the \$81,250 in General Fund match could be deleted from the budget. Mr. Stone stated that they do not know at this time for sure that this program is going to be cut so they would like to maintain the funds pending the outcome of the Presidential cuts.

Mr. Marvel asked if the gasoline tax projections were based on estimates made prior to the session, and, if so, what effect the various bills pending in the Legislature might have on the revenue estimations at this time. Mr. Stone stated that the projections were made prior to the session and the proposal and its requested increases will go to preserve and maintain the existing 5,000 mile system that the Department now has.

Mr. Marvel asked how much of a short fall would be experienced if some other formula is adopted other than the one that the Department is presently using. Mr. Stone stated that if one of the other systems were adopted and did not provide a minimum increase of 5 cents per gallon, there would be insufficient funds to get the Department through the biennium. He added that 1 cent of gas tax is worth approximately \$4.8 million. He said the Department's request is for \$29.5 million to the state fund that would be protected by inflation.

Mrs. Hayes stated that word has been received from Washington, D.C. that the proposed budget contains a \$2 billion reduction in highway funding and that the states will have to take responsibility for all highway related projects by 1983. She added that a phasing out of federal support for mass transit by 1986 is also predicted. She asked if any of these plans have been considered by DOT at this time. Mr. Stone stated that the indications he has received from Washington, D.C. and Mr. Barnhardt, Federal Highway Administration for Nevada, are that the federal budget as now constituted would cost the State of Nevada something between \$3 and \$4 million per year. He said the predicted decreases will be over a five-year period; and that essentially, the Nevada DOT will be receiving the same amount of federal funding, perhaps a little less.

Mr. Rhoads asked if perhaps the priorities of the Department should be redirected as it appears that some of the federal funds have not been wisely spent in the past. Mr. Stone stated that this has been addressed and there will be a redirection of federal funds. He said the interstate and the primary system will be funded by 1986, at which time the states will have to pick up the responsibilities for the secondary, urban areas and mass transit expenditures. He stated that in the past, some of the federal funds have not been wisely expended on the interstate system. He added that this program is a one-time program and was to have been completed by 1972. He said the completion deadline has been moved to 1986. He said part of the completion problem is that modifications have had to be made along the way as they have been required by the Federal Government in order to qualify for further federal funds.

Mr. Stone stated that if funding is not approved by the Legislature as requested by the Department, he will have to start diverting most of the federal funds, excepting interstate funds, into preservation of the existing system, which is reconstructing and resurfacing.

Mr. Hickey commented that perhaps a heavier tax should be levied on the trucking industry because of their heavy use of the highways and the destruction they cause to the surface of the highways. He said this would give added revenue to maintain and protect the highways. Mr. Stone stated that all of the legislation currently pending is designed to better protect the highways from overweight trucks, but to overtax the trucking industry would upset the entire economy.

3/30/81
Page 3

Mrs. Hayes asked if recycled asphalt is used on resurfacing roads. Mr. Stone stated that they do use it when it is cost effective. Additionally, Mrs. Hayes asked if toll roads had been considered. Mr. Stone stated that this has been looked into with respect to the freeway between Reno and Carson City, and the east leg of the Henderson freeway. He added that it would cost \$75 million to complete and install a toll system.

Mrs. Hayes asked if the state has to pay BLM when they use BLM ground for gravel pits. Mr. Stone stated that they do not when they are carrying out federal contracts.

Mr. Horn stated that the information portrayed on the visual aids, or rather the drawings on the visual aids, are not to scale. Mr. Laird stated that any distortions are not intentional. He added that every effort was made to construct the charts as accurately as possible.

Mr. Hickey asked for further information on the Department equipment line item. Mr. Laird stated that this is for rental costs paid to CDP, MTST lease rental costs, and a road grader. If other projects require a special piece of equipment, the Department will rent the equipment and pay for the rental costs from this fund.

Mr. Hickey asked for information on the equipment replacement fund. Mr. Laird stated that the funds shown in this line item are normal depreciation costs on equipment that has reached its peak in depreciation. Mr. Stone stated that one of the recommendations of the Governor's Management Task Force was that the Department come up with an equipment management program. He said the Department is working on this and it will be completely operational by mid-summer of 1981.

Mr. Hickey stated that it appears that if new equipment is purchased then the repair and replacement costs should go down which does not seem to be the case. Mr. Stone stated that repair and replacement costs are extensive because of the heavy usage that the pickups and trucks receive. He said they average 200,000 miles a year on the pickups.

Mr. Hickey asked if the conversions from gasoline to diesel is being accomplished. Mr. Stone stated that more and more equipment being replaced is coming in as diesel, and he added that most of the large equipment is diesel already. He added that it will take time to make the conversion.

Mrs. Hayes pointed out that the highway engineer title is misleading in that those filling the positions are not college graduate type engineers. Mr. Stone stated that Engineer I's are taken directly out of college. He also said the Department can take a high school graduate and, through testing, experience and certain training, they can get him to the Engineer I level within approximately 4 or 5 years. He said that this inservice training is comparable to the engineering graduate getting out of college within 4 or 5 years. He pointed out that the Department is recommending a restructuring of the Engineer series and stated there are certain requirements to get to Engineer III regardless of whether they went to college or not. He said the applicants would have to take the state exam for promotion. To get to an Engineer IV level applicants would have to become a registered professional engineer in the State of Nevada. This is part of our reorganization and has not always been adhered to in the past.

Mrs. Hayes asked what an Engineer Technician was. Mr. Stone stated this was someone who would go out and make a compaction test on the highway to see that there is proper compaction of the subgrade or the base. He said this position could be a surveyor. Mrs. Hayes stated that she felt this was misleading. Mr. Stone stated he was open for suggestions on title changes from the Legislature.

3/30/81
Page 4

Mr. Glover questioned the fees and court costs for right-of-way stating that for the 1980-81 Work Program, the Department was budgeted for \$33,000 and is now requesting only \$5,767. Mr. Stone stated that it was because the whole emphasis of the Department's program is going to maintain the existing system and the Department is getting out of buying new locations for right-of-way. Mr. Glover asked if this expenditure was for the Deputy Attorney General. Mr. Ivan Laird said it is for actual court costs and explained that the Attorney General personnel are under a different heading in the salary category.

Mr. Glover asked how many times they have been sued in the past 3 years for right-of-way. Mr. Stone stated he did not have figure but would provide the committee with that information.

Mr. Horn asked how many vacancies they currently have. Mr. Stone stated they had approximately 250. Mr. Horn requested that Mr. Stone furnish the committee with a list of the 250 vacancies. Mr. Stone said he would furnish the committee with the list of vacancies. Mr. Horn asked in terms of out-of-state travel what necessitates the increase to \$46,400. Mr. Stone replied that the increase is strictly based on inflation. Mr. Horn asked what the great need for out-of-state travel was. Mr. Stone replied there are many needs for the out-of-state travel and that he would have to go over almost every position in order to explain the needs. For instance to construct or pull the ditches on the back slope for maintenance purposes, we have to make an archeological survey to make sure that we do not disturb anything of historical value. Mr. Stone stated that for example, the Department has 4 qualified archeologists and for them to qualify it is required by their association that they not only go to two major conventions but that they present study papers. Mr. Stone stated he could go on and on in regard to the justification of the Department's out-of-state travel.

Mr. Horn asked if they have 250 vacant positions why are they requesting 26 more. Mr. Stone stated that in the past two years the Federal Government has held back approximately \$37 and a half million in formula apportionment funds. He went on to say that he could cut the figure of vacant positions from 250 to 150 because this is the approximate amount of people or jobs that the Department hadn't filled since July 1 of this year. Mr. Stone stated that the reason the Department hadn't filled these positions was just to keep from virtually going bankrupt. He continued saying that the Department's federal program this year was capped off at \$53 million whereas, in previous years, they had been receiving from 90 to 119 million dollars per year in federal funds. He said the Department subsequently had been able to cut back and have this type of flexibility. Mr. Stone stated he did not expect any additional construction funds and continued that the Department has to have increases next year, if they are successful with their legislative proposals, in order to get on immediately with the preservation of the existing system. In addition, he said the Department has found at least a 10% lag in salaries in hard-to-fill jobs. Mr. Horn asked if Mr. Stone would supply a list for the committee of the 150 positions that have not been filled since July 1. Mr. Stone replied it was just a little over 100 since July and not 150.

Mr. Horn asked what the out-of-state Inspection and Training Travel was. Mr. Ivan Laird stated the travel of the testing people who have to go out of state on contracts to inspect the materials being fabricated is covered in this category. Mr. Stone added that this is a requirement for the receiving of the federal funds on the construction program. Mr. Horn asked if this travel was going to be twice as much as actual expenditures. Mr. Stone said that the Department was expecting their construction program in Las Vegas this year to include construction of a \$33 million Viaduct on Interstate 515 which has much steel and will have to be inspected out of state.

3/30/81
Page 5

Mr. Horn asked, in terms of the Director's salary, what is the justification of the 25% increase from \$40,000 to \$50,000. Mr. Stone stated that when he took the job of Director, he requested that he make the same amount as he did in his previous job. He further stated that it also works out that in order to stay within the 95% rule based on the proposed increases by the Governor, that this is the salary that he would have to receive in order to eliminate compression.

Mr. Hickey asked what the ratio of engineers to total employees was since he had 1400 employees.

Mr. Stone said he believed the ratio of engineers in the 1400 employees was approximately 5 percent and that the ratio varied in DOT's throughout the country. He further said he would furnish Mr. Hickey with the exact ratio figures, particularly for the western states.

Mr. Brady questioned the amount of construction and funds given to private enterprise and Mr. Stone stated that approximately 95 percent of the funds would go to private enterprise under contract.

Chairman Bremner informed Mr. Stone that a subcommittee would be studying the budget in greater detail. He referred to the Task Force recommendation that the print shop be abolished and asked if the budget reflected this abolition. Mr. Stone said it was his understanding that the recommendations of the Governor's Task Force was to be done on a "phase-in" period and that the Department of Transportation's print shop was not on the first phase-in. He introduced Mr. Garth Dull, Deputy Director, who is in charge of the Task Force recommendations.

Mr. Dull said he had talked to Glen DuBois who is Coordinator for the Governor's office and Mr. DuBois had agreed that the DOT would be phased-in last which makes the Department about fourth to be phased-in to the print shop centralization. It is not definitely known when the print shop will be phased-in. Mr. Stone spoke of the caution the Department must use in following the Task Force recommendations without losing federal funds and said many of the recommendations will take as long as 2 years to phase-in.

Chairman Bremner asked Mr. Stone to provide the subcommittee with the 1979-80 actual line item expenditures.

DEPARTMENT OF MOTOR VEHICLES - Director's Office

Mr. Barton Jacka, Director, and Mr. Leonard Winkelman, Chief of Administrative Services, appeared to present this budget. Mr. Jacka explained the responsibilities of the Director's Office in relation to the Department of Motor Vehicles and discussed the personnel changes which included the reclassification of an administrative secretary to management assistant and the addition of a new hearings officer and clerical position. Among other items discussed by Mr. Jacka were out-of-state travel, printing-duplicating copy for vehicle code books distributed throughout the state, other contract services, lease-purchase agreements for word processors, legal and court expense, and vehicle operations. Mr. Jacka explained that \$2,500 in revenue could be generated in his budget through the sale of motor vehicle code books. In relation to the other contract services, Mr. Jacka pointed out there will be three word processors in the Department and, to more effectively use the processors, all three will be placed in his office. He also expressed his concern that the amount budgeted for legal and court expenses would be insufficient if AB 303, increasing witness fees and AB 4, increasing court reporter fees were passed since the budget was based on old rates.

DEPARTMENT OF MOTOR VEHICLES - Registration Division

Mr. Hale Bennett, Chief of Registration, joined Mr. Jacka to present the Registration Division budget. Mr. Jacka explained the requested position changes, new positions and other aspects **4114** of the budget.

3/30/81
Page 6

Mr. Glover inquired if Mr. Jacka had made any plans for increased registration if MX is deployed in Nevada. Mr. Jacka replied that Mr. Winkelman is presently on a subcommittee with Mr. Alastuey working on the anticipated needs of the Registration Division and is preparing a rough draft of the estimates of cost. Mr. Jacka realized the Department would be impacted in the Drivers License, Registration, Motor Carrier and Highway Patrol Divisions but said he was unable to state a specific figure at this time. He told Mr. Glover he should have a definite figure before July.

Mr. Glover referred to the Task Force recommendation to reduce the number of state cars and asked if Mr. Jacka, in view of his request for additional vehicles, had abandoned that idea. Mr. Jacka said these were not additional vehicles but were replacements for worn out vehicles. Additional vehicles will be requested in the Highway Patrol budget, according to Mr. Jacka, since some state units can not be incorporated into the motor pool plan suggested.

DEPARTMENT OF MOTOR VEHICLES - Motor Vehicle Pollution Control

Mr. Jacka next presented the Pollution Control budget which he explained reflects the program as it exists and does not reflect the possibility of an extension to a statewide program. Mr. Jacka explained that SB 284 requests an extension of time before statewide implementation of this program is mandated. Mr. Jacka said that if the inspection fee is increased by \$1.00 as anticipated in the Governor's recommendation, this budget will be totally self-sufficient and will also cover any salary increases granted by the Legislature.

DEPARTMENT OF MOTOR VEHICLES - Administrative Services Division

Mr. Jacka explained the function of this division and presented its budget. The budget contains large figures since this division lumps utility costs, Xerox copy costs and certain telephone costs for the entire Department. Mr. Jacka requested that the telephone rent be increased by \$7,000 each year due to unanticipated rental costs that already had been experienced by the Department in the communications line item. Chairman Bremner asked what the postage expense in the communication line item in the budget was based on. Mr. Winkelman said the estimations had been based on a 20¢ stamp cost. Chairman Bremner asked if the savings in the postage estimation difference of a 20¢ stamp to the actual 18¢ stamp cost could be used to offset the increased telephone rental costs.

Mr. Jacka described in some detail a proposed new location in North Las Vegas on a lease or lease-purchase agreement to provide facilities for Drivers License and Registration. He explained that although the Department had requested \$595,860 to have a new building constructed, the Governor recommended \$175,000 in building rent to provide new space for these divisions.

Mr. Jacka requested permission to comment on AB 213 and said this was an appropriation originally calling for \$158,020 for the Department to move into the new Carson City building. The contractor has advised Mr. Jacka that he is ahead of schedule and that the building can be turned over to the Department between October 1 and November 1. Mr. Jacka requested that the bill be modified in the rent category only and that the figure be changed to \$243,430 as compared to \$158,020 which would give him the capability of moving into the new building and the existing building can be remodeled.

Chairman Bremner advised Mr. Jacka that the Records Search Division budget would be the first item on tomorrow's agenda. Mr. Glover said he had received a request from Mr. James Wittenberg, Administrator, State Department of Personnel, that the committee have two bills drafted which had not been processed by the bill drafter prior to the deadline for administrative agencies.

Mr. Glover moved that the committee introduce the bills, seconded by Mrs. Westall, and unanimously carried.

1115

Chairman Bremner also had a request for*committee introduction of a bill regarding new fee schedules for the Public Defender.

3/30/81
Page 7

Mr. Hickey moved that the committee introduce the bill, seconded by Mr. Glover, and unanimously carried.

The meeting was adjourned.

* A.B. 397 as BDR 3-1254

DATE: March 30, 1981

WAYS AND MEANS COMMITTEE

GUEST LIST

NAME (PLEASE PRINT)

REPRESENTING:

JUAN LAIRD
GARTH DULL
AL STONE
WESLEY BAUMANN
JANET JOHNSON

N.D.O.T.
N.D.O.T.
N.D.O.T.
N.D.O.T.
N.D.O.T.

Barton Lacka
Leonard Winkelman
Nale Bennett
Louisa Sheehan
PHARON ALAMO
Mitchell Landsberg

DMV
DMV
DMV
DMV
DMV
AP.

EXH. A.

BUDGET PRESENTATION

The mission of D.O.T. is to establish and maintain an adequate, safe and efficient statewide transportation system that meets the needs of the traveling public for the movement of people and goods. In order to meet this goal, it is imperative that we accomplish statewide planning for multi-modal transportation facilities and services.

The Department is presently responsible for the maintenance of approximately 5,000 miles of roads. The roads carry over 66% of the vehicle miles traveled on all streets and highways within the state. The 5,000 mile system takes care of 94% of all truck traffic within the entire state.

We have recently completed a "Pavement Management System" study which has classified the type of work required to maintain and preserve the existing surface on the state's 5,000 miles of roadway. The study shows that 1,305 miles of the system requires only normal maintenance at this time; 2,529 miles of the system requires heavy maintenance work; and 1,166 miles require resurfacing or reconstruction of the pavement surface. In 1981 dollars, the costs estimated necessary to correct the pavement deficiencies are \$227 million. Our backlog of roadway surface deficiencies (1,166 miles) is broken down into 570 miles badly needing overlay work and 596 miles that will require reconstruction. Reconstruction costs are approximately 2 1/2 times more than the cost of overlay projects. Since our roadway surfaces are deteriorating at a rate of 11-16% each year, it is imperative that we not allow additional mileage to slip to the reconstruction stage.

The Department has accepted the reality that it cannot finance the total needs (\$227 million) of preserving and maintaining the state highway system in a cost effective manner in the next year or even the next biennium.

The Department has revised it's goals to the following priorities:

1. Preserve the existing system by maintaining the traveled surface only, ignoring present day geometric standards and only addressing bonafide safety needs.
2. Complete the construction of the Interstate system and reconstruct those sections on the other state systems which have reached a point of failure for traffic serviceability. This would include high hazard location and transportation system management type improvements (signals, turn lanes, high occupancy vehicle lanes, etc.).
3. Construct selected new high priority volume roads on the primary and urban system such as the East leg of the freeway in Clark County from the junction of Sandhill Road and Boulder Highway to Railroad Pass.

Additional revenue will be required to accomplish the new priority goals. Presently, financing for the maintenance and preservation of our existing system is completely inadequate.

We have, therefore, developed a 12-year plan to eliminate the heavy maintenance, resurfacing and reconstruction needs. The 12-year plan will allow the Department of Transportation to make cost effective decisions in preserving our existing highway system. We are requesting an increase in the existing motor fuel, and special fuel taxes as well as increases in vehicle registration and license fees to accomplish this objective.

We are proposing to upgrade our maintenance personnel and to expand their career levels. This action must be taken to cost effectively utilize the increases the Department is requesting. The upgrading of maintenance is the result of a recently completed study of our field maintenance operation to

coincide with the additional responsibility that is necessary to accomplish our proposed 12-year plan.

We are proposing a reorganization of our district operation from the present six districts to three super districts. This will provide for better administrative control, more service to the taxpayer and a more overall efficient operation. Two new sections will be established in each district to coordinate design and planning operations with those of the local entities.

We intend to reactivate the Department's "Engineer-in-Training" program for new graduate engineers. This program was eliminated nine years ago because of lack of funds. The "Engineer-in-Training" program is an 18-month rotation program to provide training to new engineers in all aspects of the Department's operation. Special emphasis in this program will be given to maintenance. The E.I.T. program is a necessity if we are to replace the experienced personnel who have left during the last nine years and those that will be retiring or leaving the Department in the next few years.

Our proposed budget reflects the additional revenues and expenditures necessary to accomplish our 12-year plan and the proposed reorganization changes.

What I propose to do in the next few minutes is to give you a visual presentation of the Governor's Executive Budget. This presentation is designed to show historical data, to reflect our proposed fuel, registration and motor carrier tax increases, and hopefully to answer many of your questions about the Department of Transportation's receipts and expenditures, but most importantly to be a basis of understanding our proposed program for the future.

The first chart, as all charts that will follow, covers the biennium.....

DEPARTMENT OF
TRANSPORTATION

Budget Summary

1981-1983 Biennium

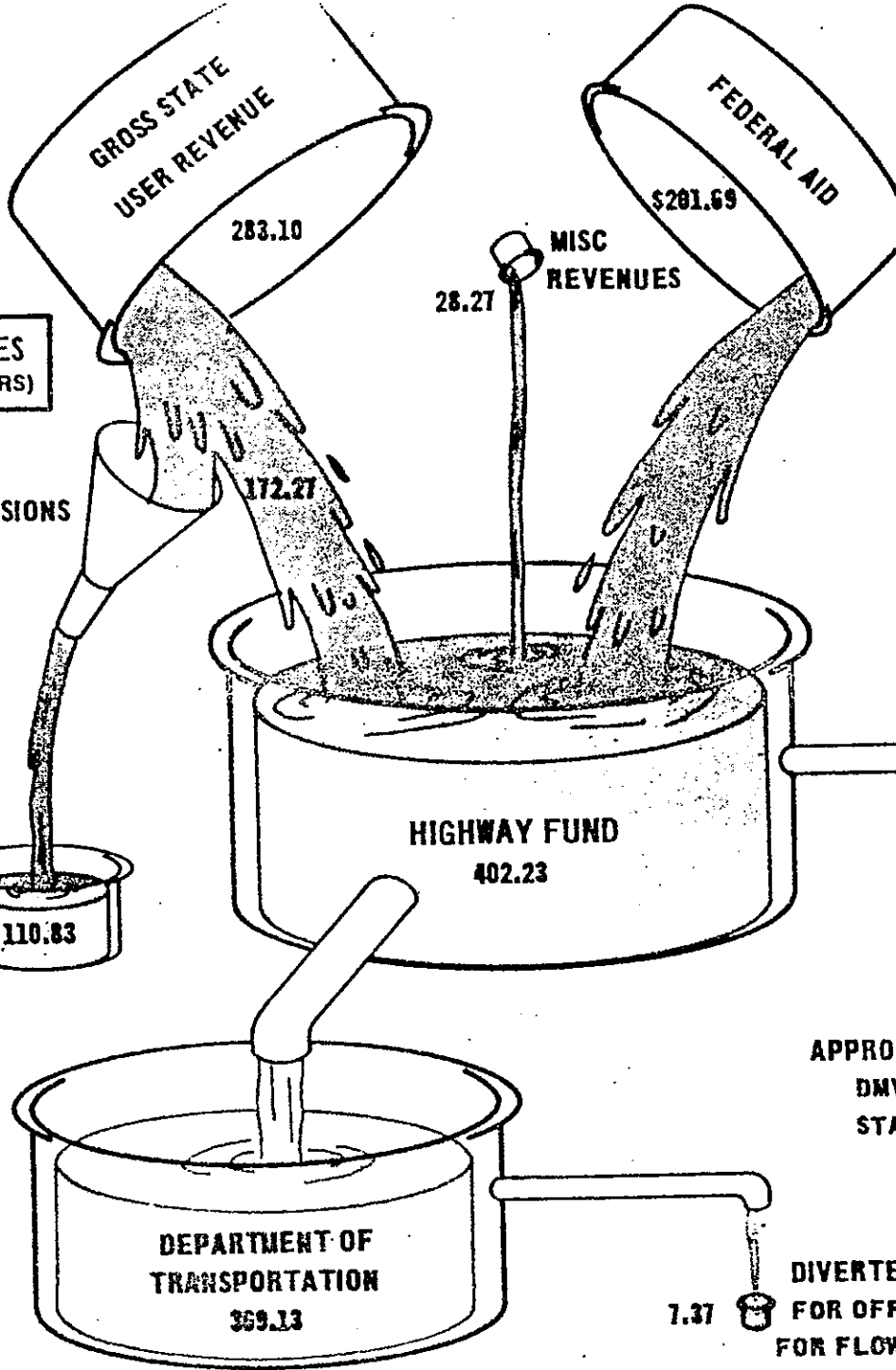
+

+

**BIENNIUM REVENUES
(MILLIONS OF DOLLARS)**

**SHARED REVENUE
TO CITIES & COUNTIES
TO STATE AGENCIES
MISC COLLECTION COSTS**

DIVERSIONS



**GROSS STATE
USER REVENUE**

283.10

FEDERAL AID

\$281.69

**MISC
REVENUES**

28.27

172.27

HIGHWAY FUND

402.23

110.83

**DEPARTMENT OF
TRANSPORTATION**

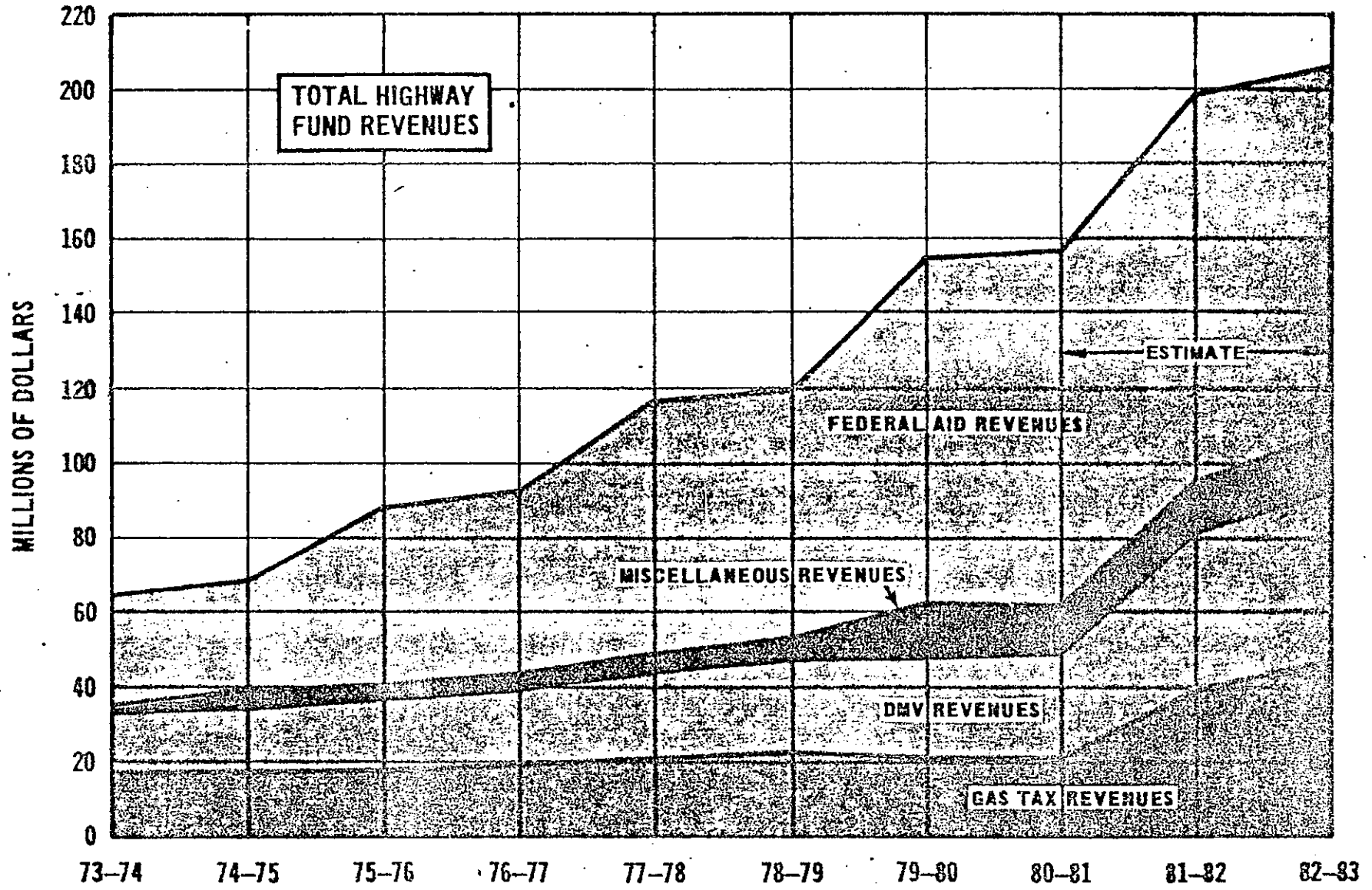
369.13

**APPROPRIATIONS
DMV & OTHER
STATE AGENCIES**

33.18

**DIVERTED FEDERAL AID SUPPORT
FOR OFF SYSTEMS
FOR FLOW THROUGH TO CITIES
& COUNTIES**

7.37



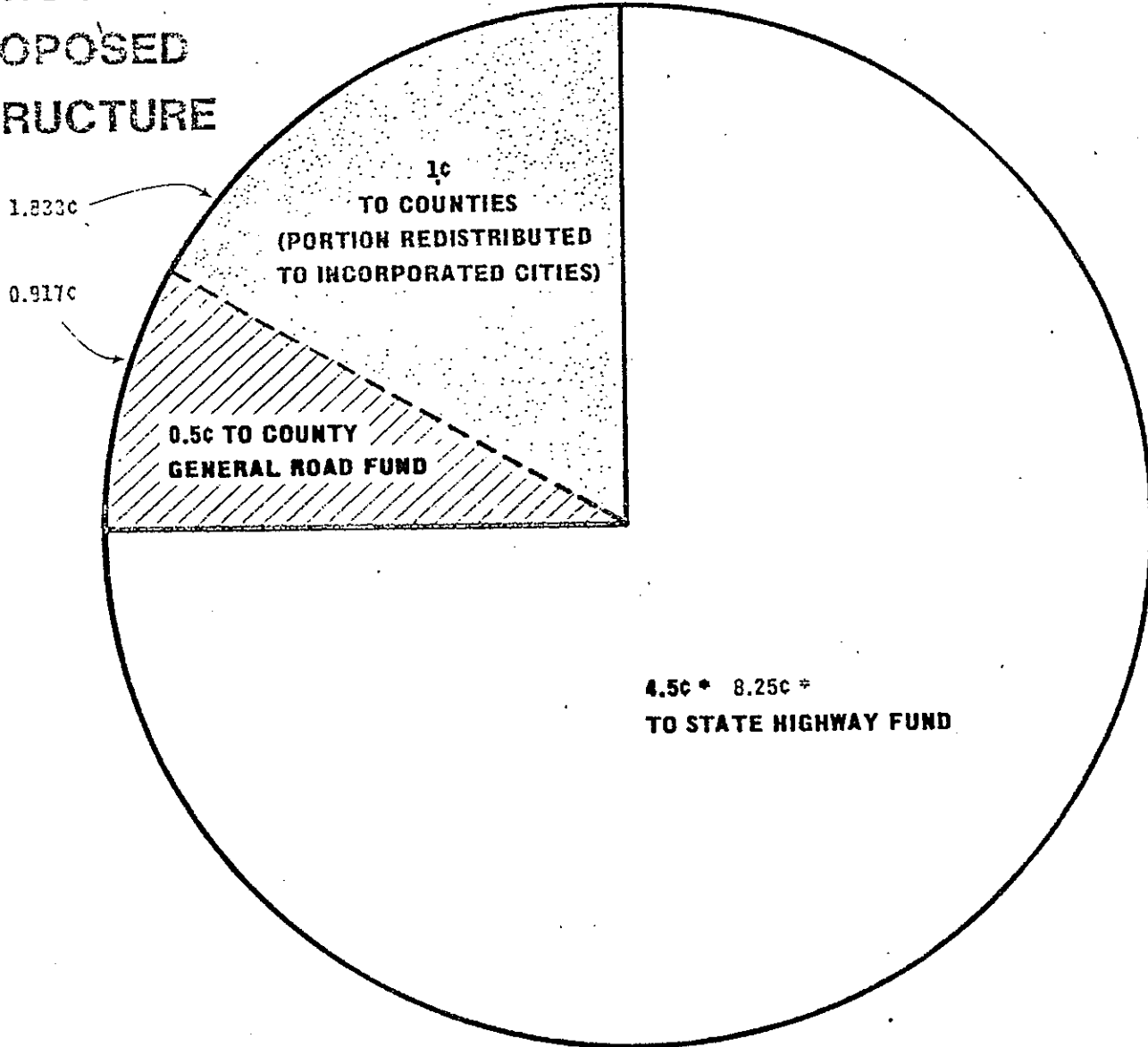
SOURCE OF REVENUES
 (MILLIONS OF DOLLARS)

	<u>79-80</u>	<u>80-81</u>	<u>81-82</u>	<u>82-83</u>
GROSS HIGHWAY USER REVENUE	88.56	93.06	97.43	102.17
LEGISLATIVE PROPOSAL			35.58	47.92
LESS: SHARED REVENUE TO CITIES & COUNTIES	37.09	39.40	41.79	44.39
LEGISLATIVE PROPOSAL			6.05	8.57
SHARED REVENUE TO OTHER AGENCIES	3.32	3.53	4.12	4.84
MISC. COLLECTION COSTS	.72	.71	.73	.74
TOTAL SHARED REV. & COLL. COSTS	41.13	43.64	52.69	58.14
LESS: APPROPRIATION TO DMV	10.65	10.72	14.22	15.53
APPROPRIATIONS TO OTHER STATE AGENCIES	.94	2.41	1.61	1.74
TOTAL APPROPRIATIONS	11.59	13.13	15.83	17.27
REMAINING HIGHWAY USER REVENUE (AVAILABLE TO DEPT. OF TRANSPORTATION)	35.84	36.29	64.49	74.68
HIGHWAY USER REVENUE AVAILABLE TO DEPT. OF TRANSPORTATION	35.84	36.29	64.49	74.68
FEDERAL - AID REVENUE	92.93	96.48	103.14	98.96
MISCELLANEOUS REVENUE	14.48	12.24	13.49	14.50
GENERAL FUND REVENUE	1.76	3.26	.72	.72
TOTAL REVENUE AVAILABLE TO DEPT. OF TRANSPORTATION	144.99	148.27	181.81	188.76

1124

**CURRENT
STRUCTURE
PROPOSED
STRUCTURE**

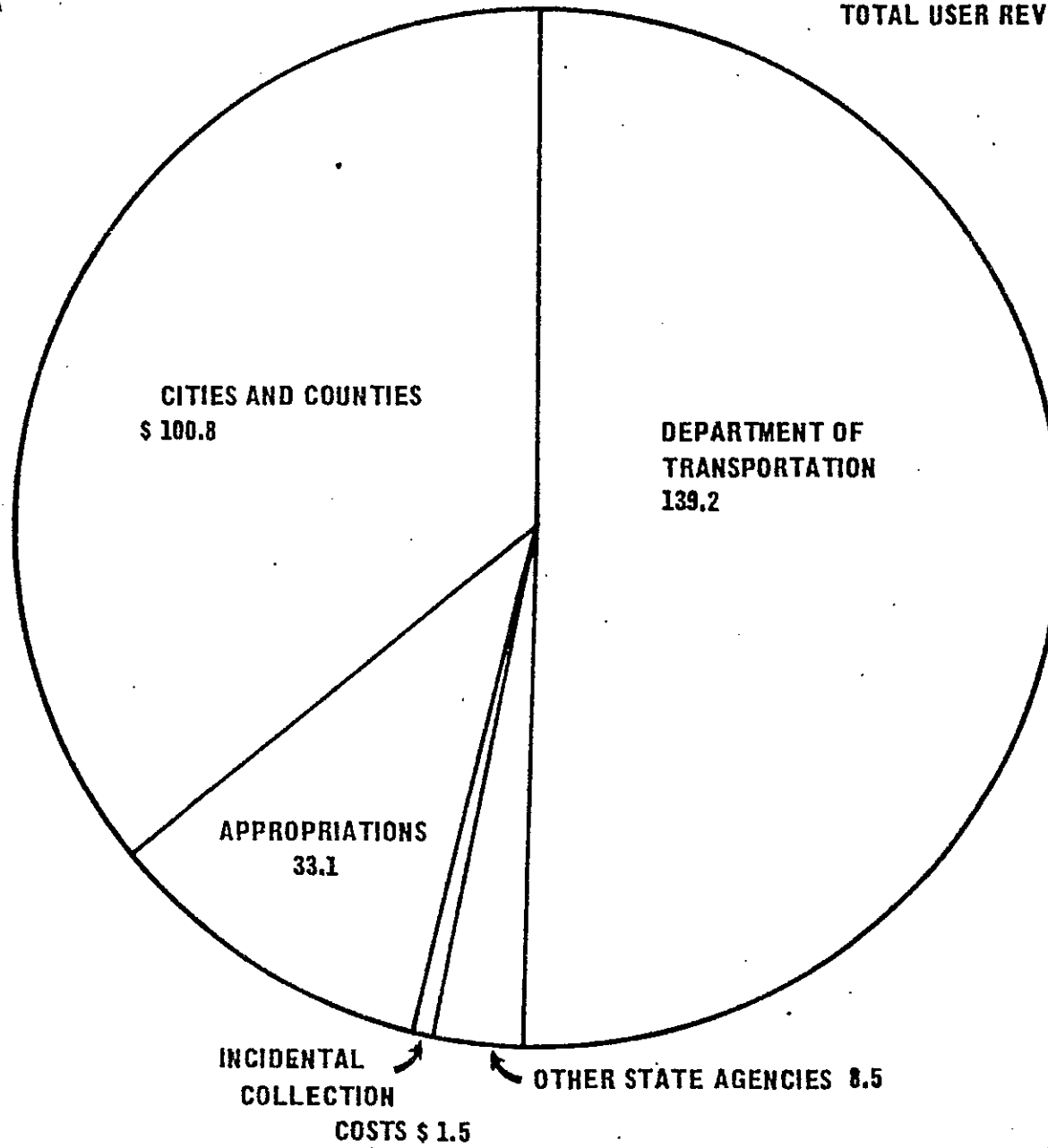
**BREAKDOWN OF GAS TAX
6¢ PER GALLON
11¢ PER GALLON**

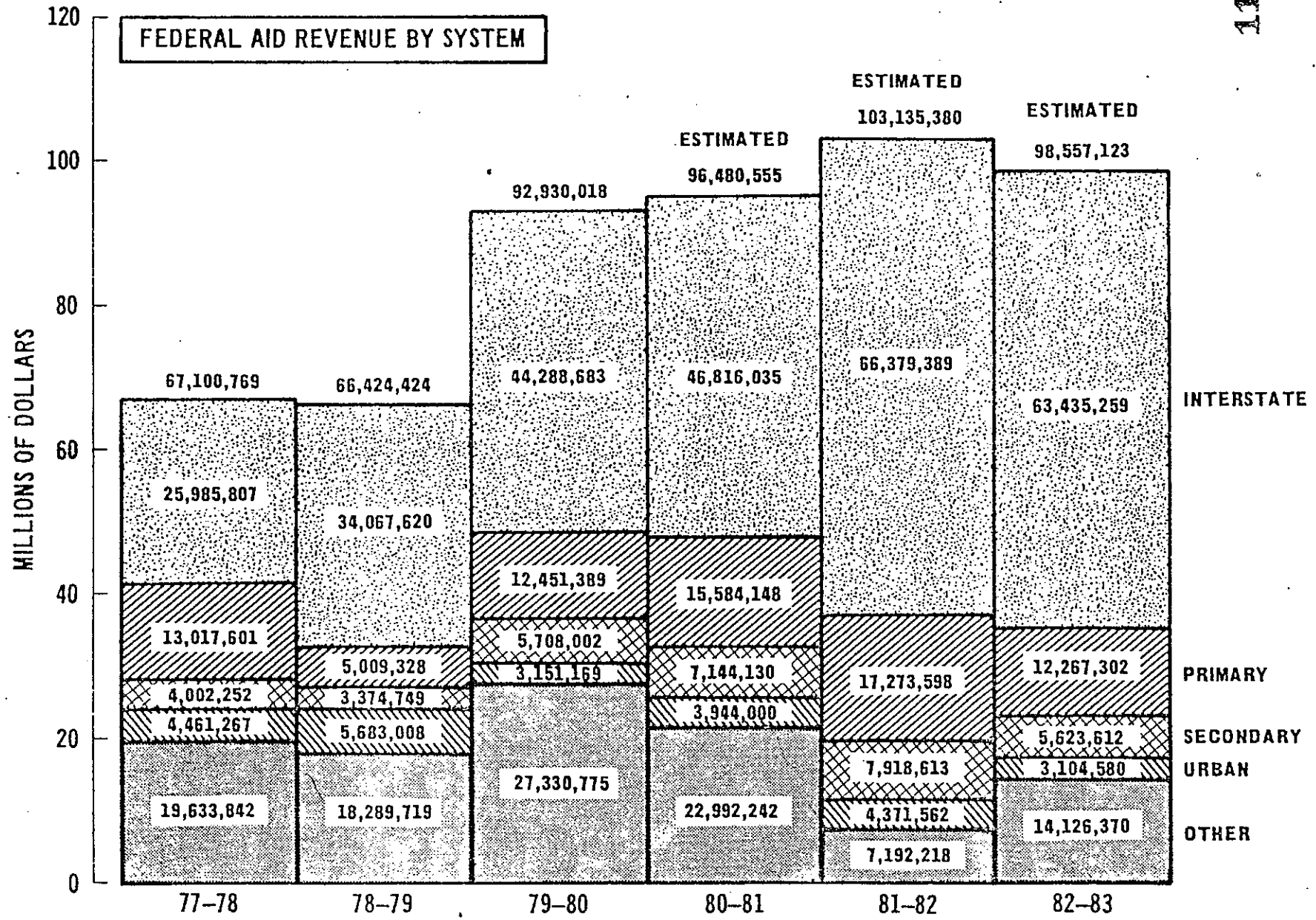


***DEPT. OF WILDLIFE AND DIVISION OF STATE PARKS
RECEIVE A MINOR PORTION.**

HIGHWAY USER REVENUE DISTRIBUTIONS
FOR THE BIENNIUM 81-83
(MILLIONS OF DOLLARS)

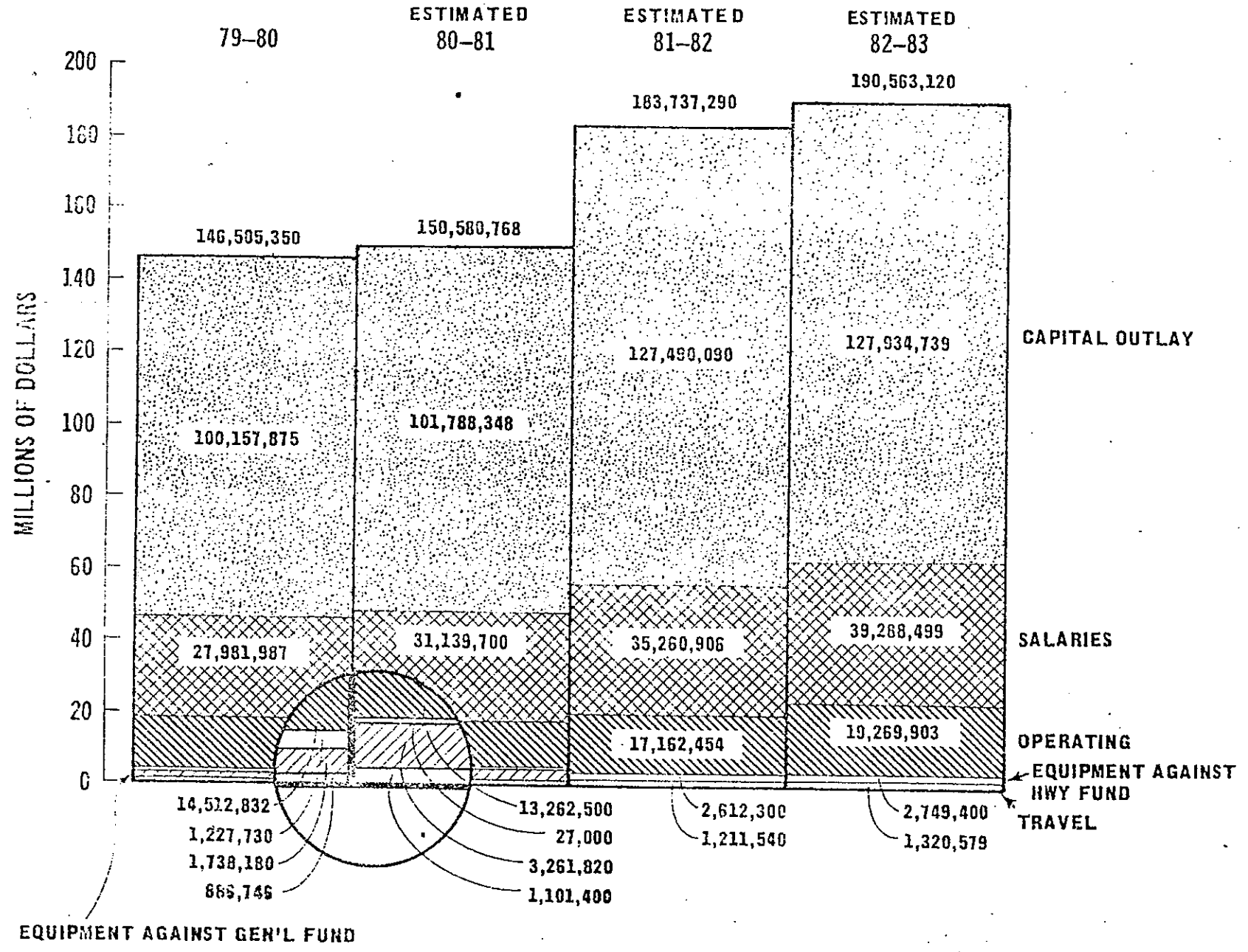
TOTAL USER REVENUES 283.1





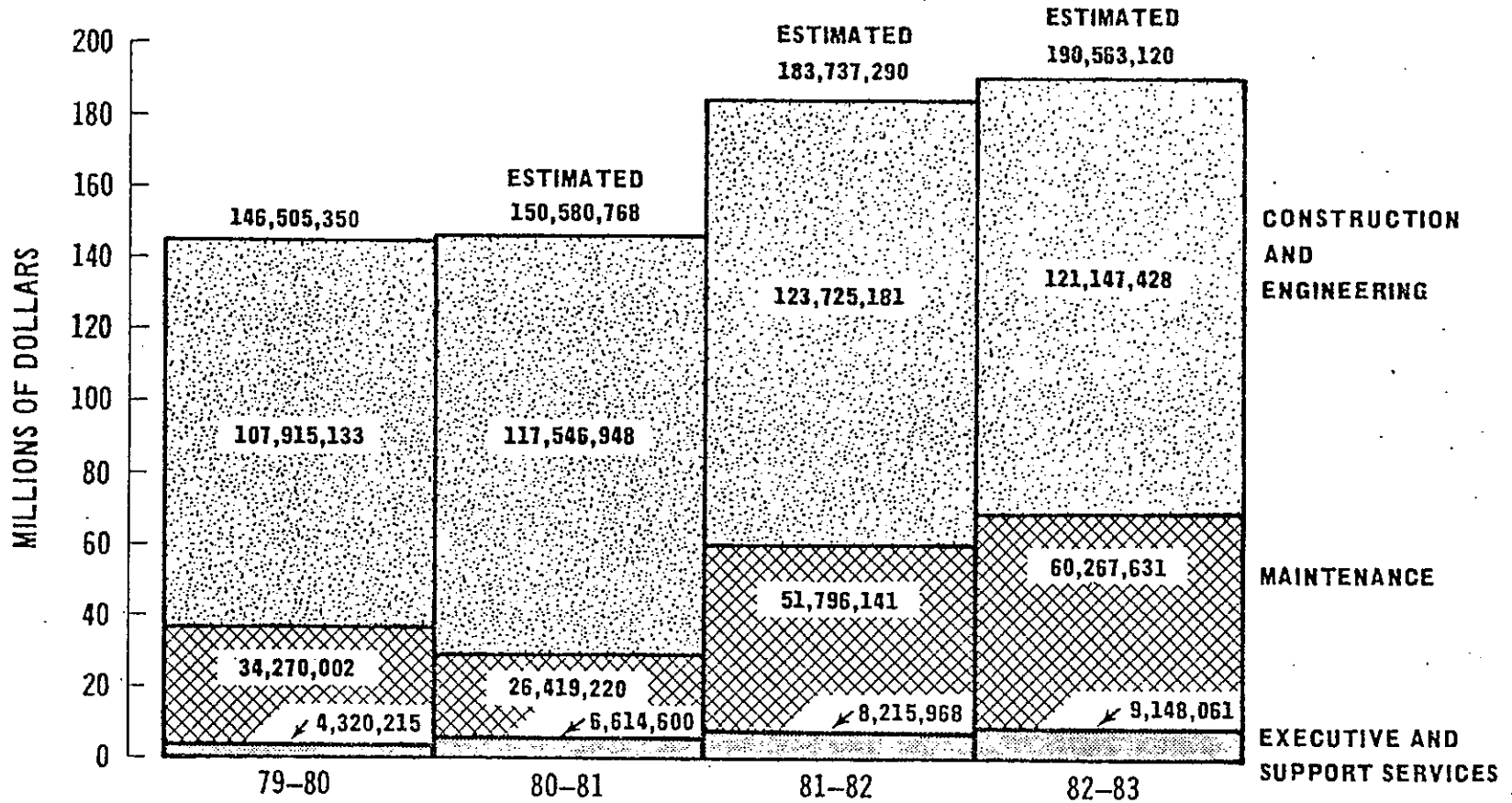
NO. ---
 SUBJECT ---

EXPENDITURE BY OBJECT

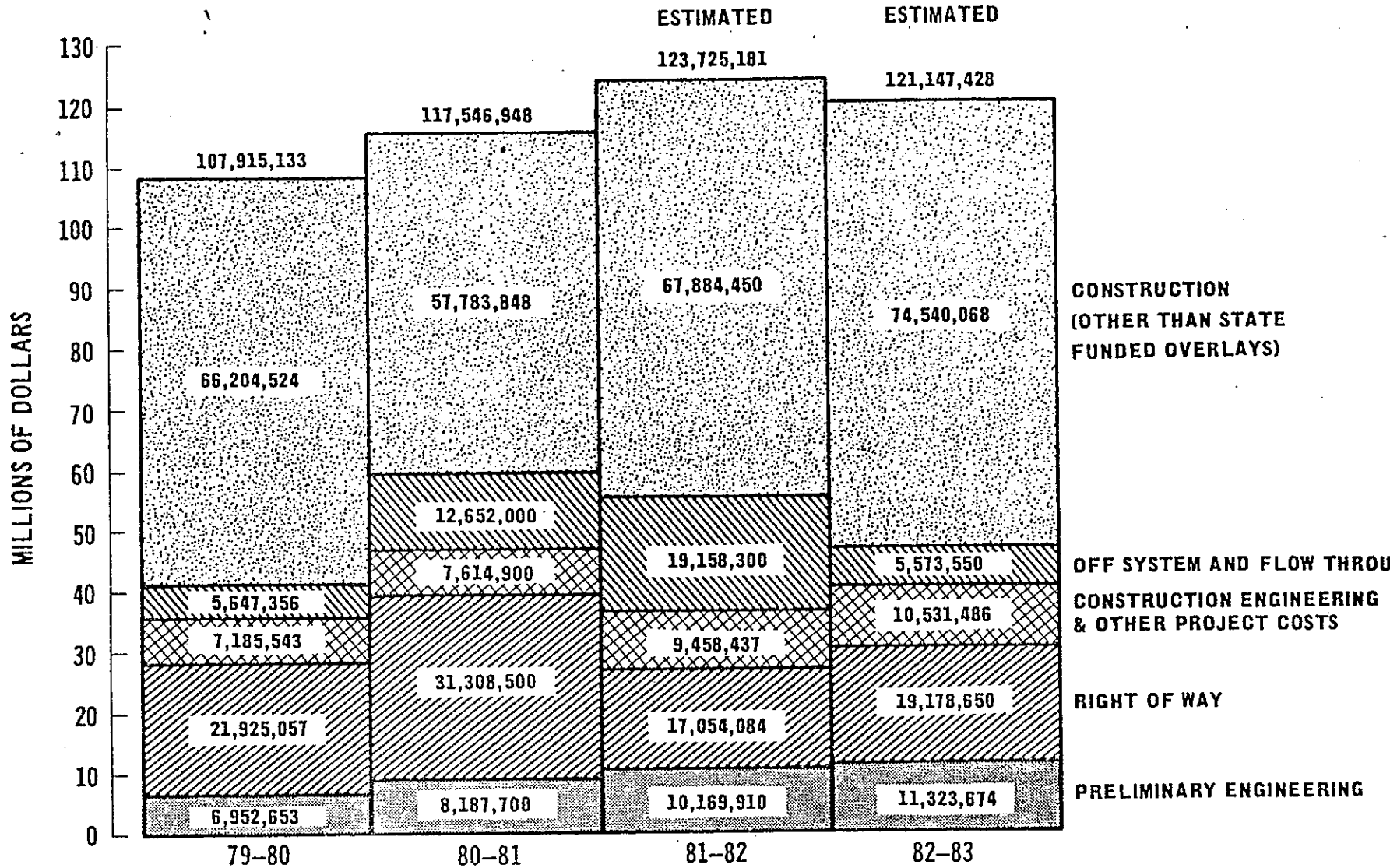


PROGRAM

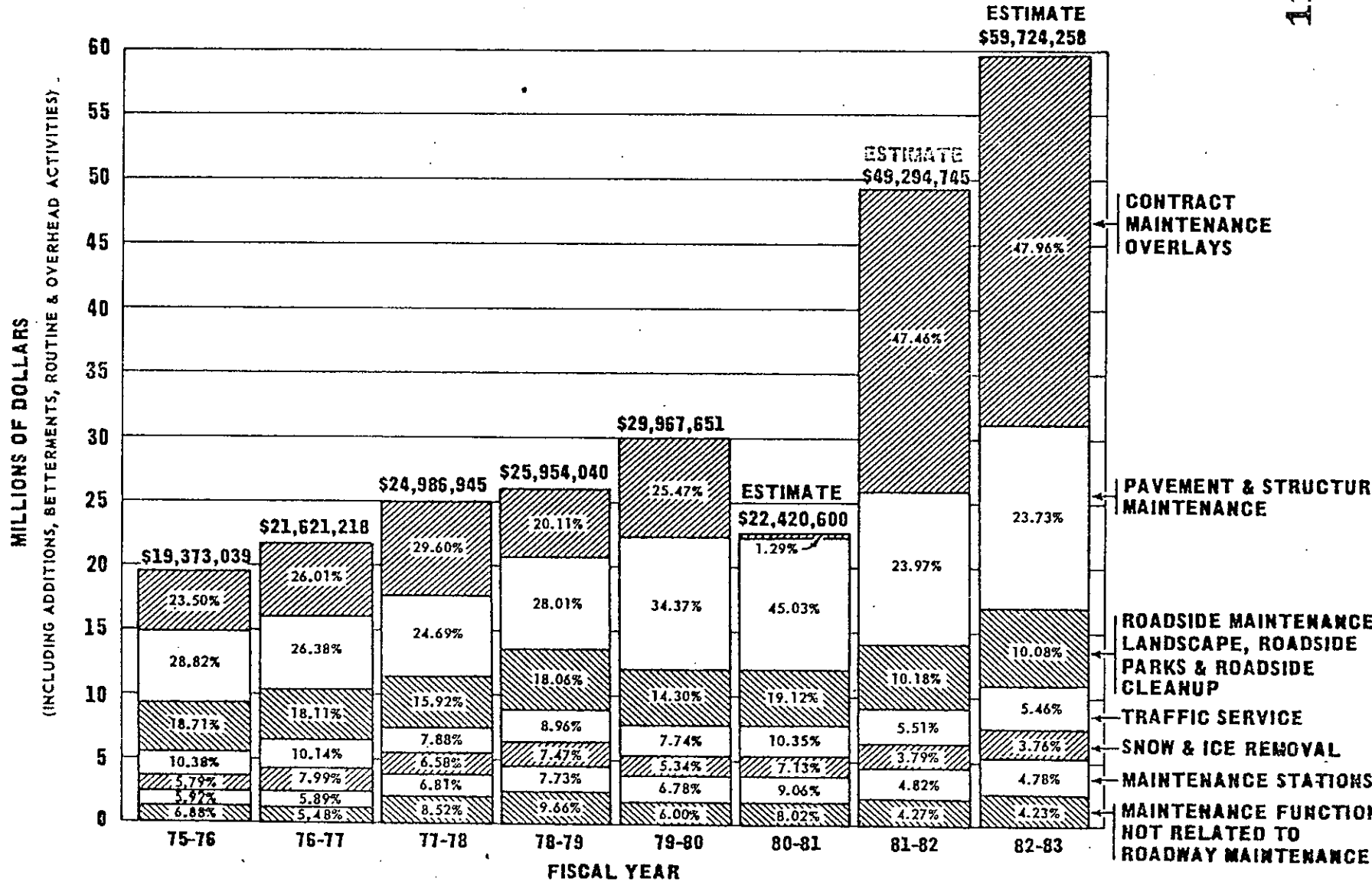
EXPENDITURES BY PROGRAM



**CONSTRUCTION AND ENGINEERING
TOTALS BY YEAR**



MAINTENANCE BY FUNCTION

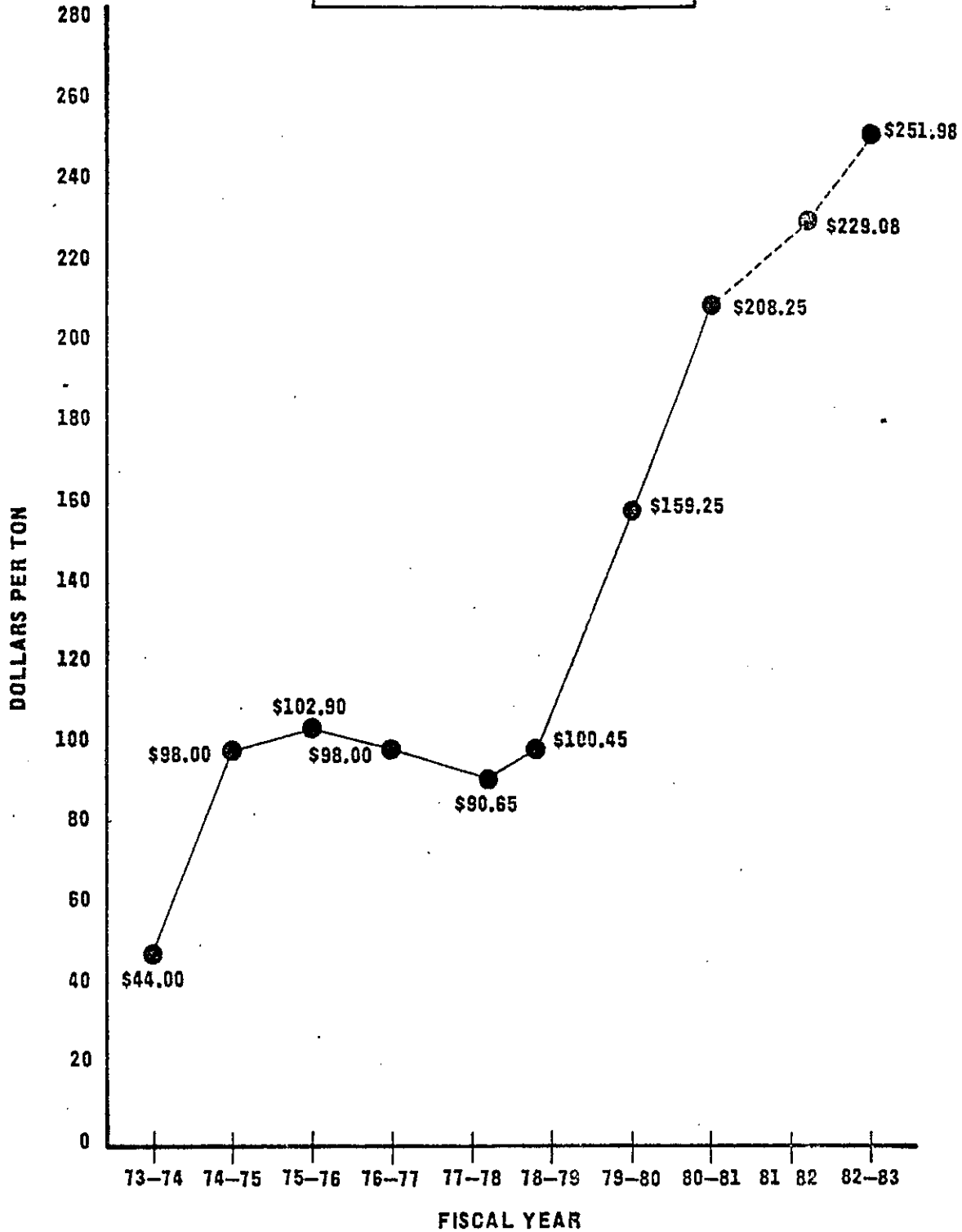


INVENTORY OF MAJOR MAINTENANCE UNITS

	73-74 INVENTORY	CURRENT INVENTORY	ADDITIONAL DURING 1981-83 BIENNIUM
Lane Miles	11,974	13,970	172
Roadside Mowing (Shdr Miles)	3,059	3,691	117
Roadside Rest Areas	59	54	0
Interchanges	116	132	11
Structures	587	596	21
Landscape Areas (Acres)	12	12	12
Right of way Fence (Miles)	2,750	3,107	183
Lane Striping (Miles)	11,235	16,380	252
Traffic Pvmnt Marking (Sq.Ft.)	155,713	158,250	1,000
Guardrail (Lin.Ft.)	1,230,240	1,767,744	42,000
Maintenance Stations	58	58	0
Tunnels	4	4	0
Ditches (Miles)	4,750	7,947	10
Signs	19,806	20,524	390
Culverts	25,132	25,286	150

MAINTENANCE

LIQUID ASPHALT COSTS



----- DASHED LINE IS PROJECTION -----

NO. -----

SUBJECT -----

EXECUTIVE & SUPPORT SERVICES

EXECUTIVE

**DEPARTMENT OF TRANSPORTATION ADMINISTRATION
PROGRAMS & PROJECT MANAGEMENT
FINANCIAL SERVICE & DATA PROCESSING**

**INTERNAL AUDIT
ACCOUNTING & FINANCE
DATA PROCESSING**

**PUBLIC INFORMATION
INDUSTRIAL RELATIONS**

**PERSONNEL
TRAINING
INDUSTRIAL SAFETY**

INDIRECT SUPPORT SERVICES

**CIVIL RIGHTS
LEGAL SERVICES
FLIGHT OPERATIONS
REPRODUCTION
OFFICE SERVICES
BUILDINGS & GROUNDS
PURCHASING & STORES**

**PROJECTION OF
HIGHWAY FUND BALANCE**
(Based on "Governor Recommends")

HIGHWAY FUND BALANCE 7/1/80		ESTIMATED REVENUES		ESTIMATED EXPENDITURES & APPROPRIATIONS		ESTIMATED HIGHWAY FUND BALANCE 6/30/83
		\$ 158,139,638 (FY 81)		\$ 160,445,613 (FY 81)		
		196,965,489 (FY 82)		196,965,489 (FY 82)		
		205,510,018 (FY 83)		205,510,018 (FY 83)		
\$ 8,128,499*	+	\$ 560,615,145	-	\$ 562,921,120	=	\$ 5,822,524
9,121,722**	+	560,615,145	-	562,921,120	=	6,815,747

* REFLECTED IN EXECUTIVE BUDGET SUBMISSION
 ** REFLECTED IN SUBSEQUENT BALANCE SHEET AFTER ROOT BOOKS CLOSED
 (DIFFERENCE RELATES TO ENCUMBERANCES)

BUDGET PRESENTATION

The mission of D.O.T. is to establish and maintain an adequate, safe and efficient statewide transportation system that meets the needs of the traveling public for the movement of people and goods. In order to meet this goal, it is imperative that we accomplish statewide planning for multi-modal transportation facilities and services.

The Department is presently responsible for the maintenance of approximately 5,000 miles of roads. The roads carry over 66% of the vehicle miles traveled on all streets and highways within the state. The 5,000 mile system takes care of 94% of all truck traffic within the entire state.

We have recently completed a "Pavement Management System" study which has classified the type of work required to maintain and preserve the existing surface on the state's 5,000 miles of roadway. The study shows that 1,305 miles of the system requires only normal maintenance at this time; 2,529 miles of the system requires heavy maintenance work; and 1,166 miles require resurfacing or reconstruction of the pavement surface. In 1981 dollars, the costs estimated necessary to correct the pavement deficiencies are \$227 million. Our backlog of roadway surface deficiencies (1,166 miles) is broken down into 570 miles badly needing overlay work and 596 miles that will require reconstruction. Reconstruction costs are approximately 2 1/2 times more than the cost of overlay projects. Since our roadway surfaces are deteriorating at a rate of 11-16% each year, it is imperative that we not allow additional mileage to slip to the reconstruction stage.

The Department has accepted the reality that it cannot finance the total needs (\$227 million) of preserving and maintaining the state highway system in a cost effective manner in the next year or even the next biennium.

The Department has revised it's goals to the following priorities:

1. Preserve the existing system by maintaining the traveled surface only, ignoring present day geometric standards and only addressing bonafide safety needs.
2. Complete the construction of the Interstate system and reconstruct those sections on the other state systems which have reached a point of failure for traffic serviceability. This would include high hazard location and transportation system management type improvements (signals, turn lanes, high occupancy vehicle lanes, etc.).
3. Construct selected new high priority volume roads on the primary and urban system such as the East leg of the freeway in Clark County from the junction of Sandhill Road and Boulder Highway to Railroad Pass.

Additional revenue will be required to accomplish the new priority goals. Presently, financing for the maintenance and preservation of our existing system is completely inadequate.

We have, therefore, developed a 12-year plan to eliminate the heavy maintenance, resurfacing and reconstruction needs. The 12-year plan will allow the Department of Transportation to make cost effective decisions in preserving our existing highway system. We are requesting an increase in the existing motor fuel, and special fuel taxes as well as increases in vehicle registration and license fees to accomplish this objective.

We are proposing to upgrade our maintenance personnel and to expand their career levels. This action must be taken to cost effectively utilize the increases the Department is requesting. The upgrading of maintenance is the result of a recently completed study of our field maintenance operation to

coincide with the additional responsibility that is necessary to accomplish our proposed 12-year plan.

We are proposing a reorganization of our district operation from the present six districts to three super districts. This will provide for better administrative control, more service to the taxpayer and a more overall efficient operation. Two new sections will be established in each district to coordinate design and planning operations with those of the local entities.

We intend to reactivate the Department's "Engineer-in-Training" program for new graduate engineers. This program was eliminated nine years ago because of lack of funds. The "Engineer-in-Training" program is an 18-month rotation program to provide training to new engineers in all aspects of the Department's operation. Special emphasis in this program will be given to maintenance. The E.I.T. program is a necessity if we are to replace the experienced personnel who have left during the last nine years and those that will be retiring or leaving the Department in the next few years.

Our proposed budget reflects the additional revenues and expenditures necessary to accomplish our 12-year plan and the proposed reorganization changes.

What I propose to do in the next few minutes is to give you a visual presentation of the Governor's Executive Budget. This presentation is designed to show historical data, to reflect our proposed fuel, registration and motor carrier tax increases, and hopefully to answer many of your questions about the Department of Transportation's receipts and expenditures, but most importantly to be a basis of understanding our proposed program for the future.

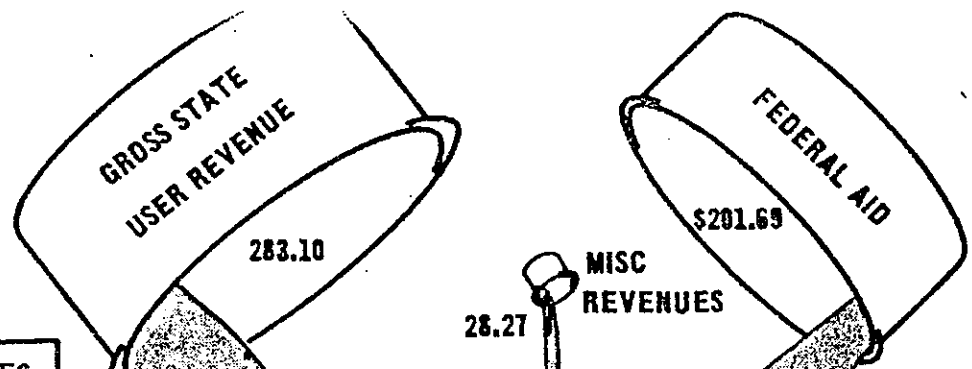
The first chart, as all charts that will follow, covers the biennium.....

DEPARTMENT OF
TRANSPORTATION

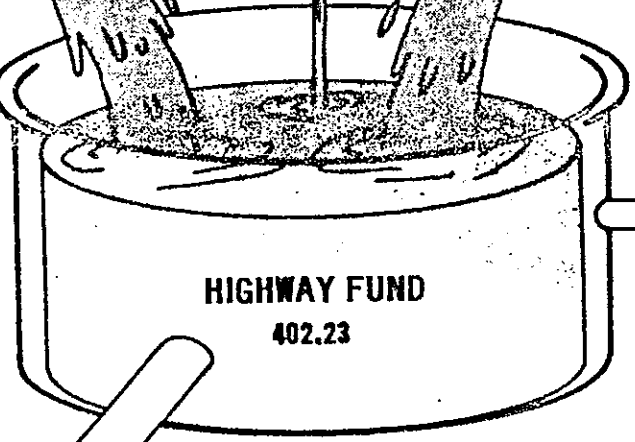
Budget Summary

1981-1983 Biennium

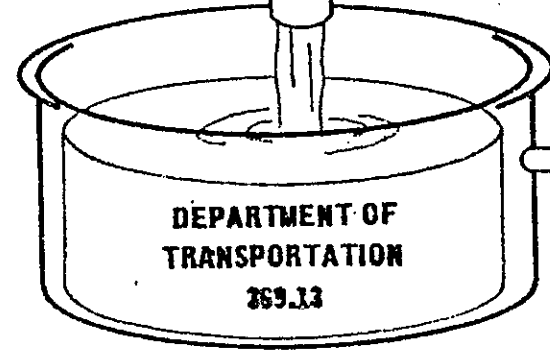
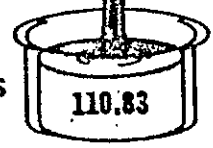
BIENNIUM REVENUES
(MILLIONS OF DOLLARS)



DIVERSIONS



SHARED REVENUE TO CITIES & COUNTIES TO STATE AGENCIES MISC COLLECTION COSTS

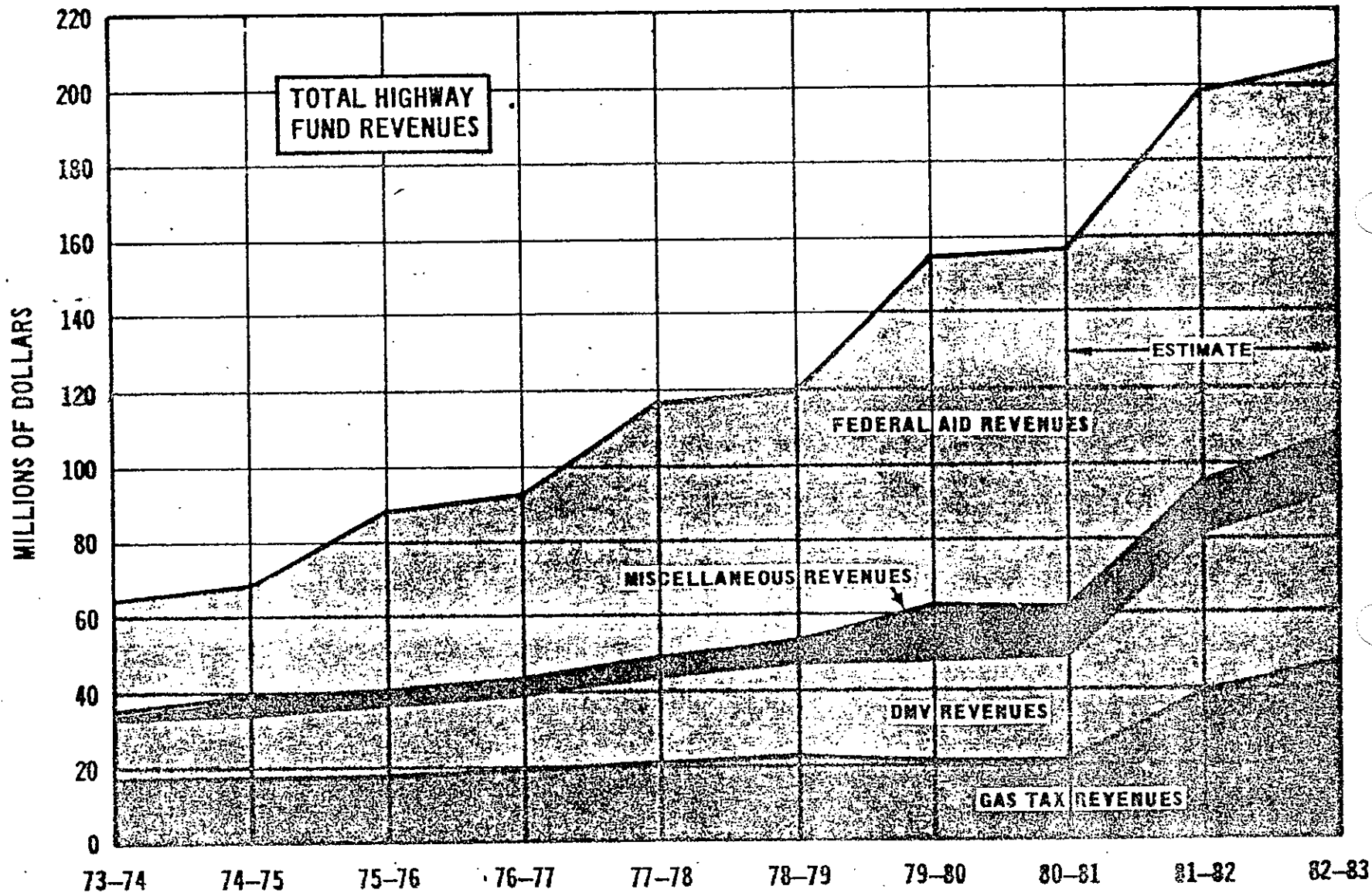


APPROPRIATIONS DMV & OTHER STATE AGENCIES



DIVERTED FEDERAL AID SUPPORT FOR OFF SYSTEMS FOR FLOW THROUGH TO CITIES & COUNTIES





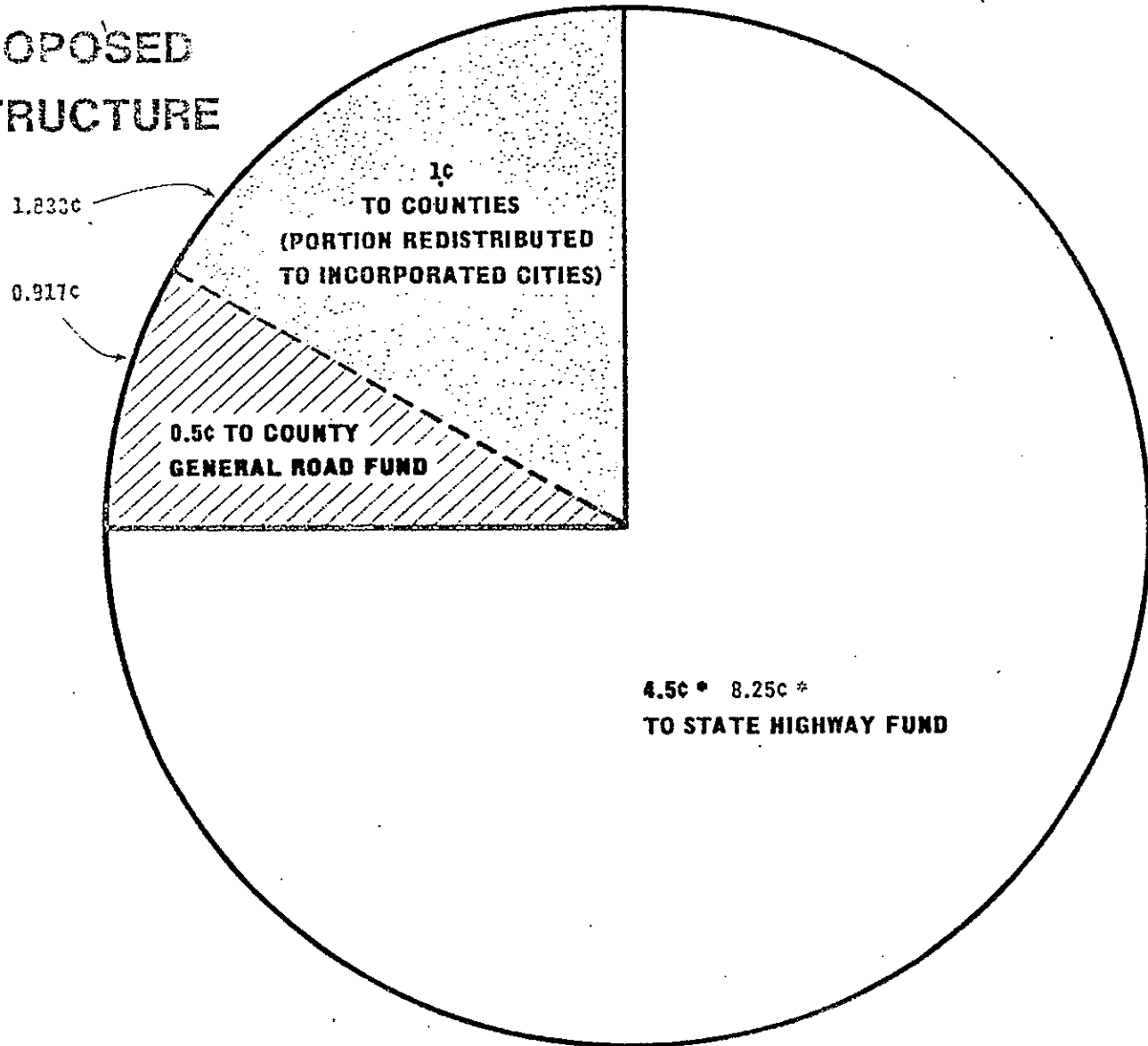
NO. ---
SUBJECT ---

SOURCE OF REVENUES
 (MILLIONS OF DOLLARS)

	79-80	80-81	81-82	82-83
GROSS HIGHWAY USER REVENUE	88.56	93.06	97.43	102.17
LEGISLATIVE PROPOSAL			35.58	47.92
LESS: SHARED REVENUE TO CITIES & COUNTIES	37.09	39.40	41.79	44.39
LEGISLATIVE PROPOSAL			6.05	8.57
SHARED REVENUE TO OTHER AGENCIES	3.32	3.53	4.12	4.84
MISC. COLLECTION COSTS	.72	.71	.73	.74
TOTAL SHARED REV. & COLL. COSTS	41.13	43.64	52.69	58.14
LESS: APPROPRIATION TO DMV	10.65	10.72	14.22	15.53
APPROPRIATIONS TO OTHER STATE AGENCIES	.94	2.41	1.61	1.74
TOTAL APPROPRIATIONS	11.59	13.13	15.83	17.27
REMAINING HIGHWAY USER REVENUE (AVAILABLE TO DEPT. OF TRANSPORTATION)	35.84	36.29	64.49	74.68
HIGHWAY USER REVENUE AVAILABLE TO DEPT. OF TRANSPORTATION	35.84	36.29	64.49	74.68
FEDERAL - AID REVENUE	92.93	96.48	103.14	98.96
MISCELLANEOUS REVENUE	14.48	12.24	13.46	14.80
GENERAL FUND REVENUE	1.74	3.26	.72	.72
TOTAL REVENUE AVAILABLE TO DEPT. OF TRANSPORTATION	144.99	148.27	181.81	188.76

**CURRENT
STRUCTURE
PROPOSED
STRUCTURE**

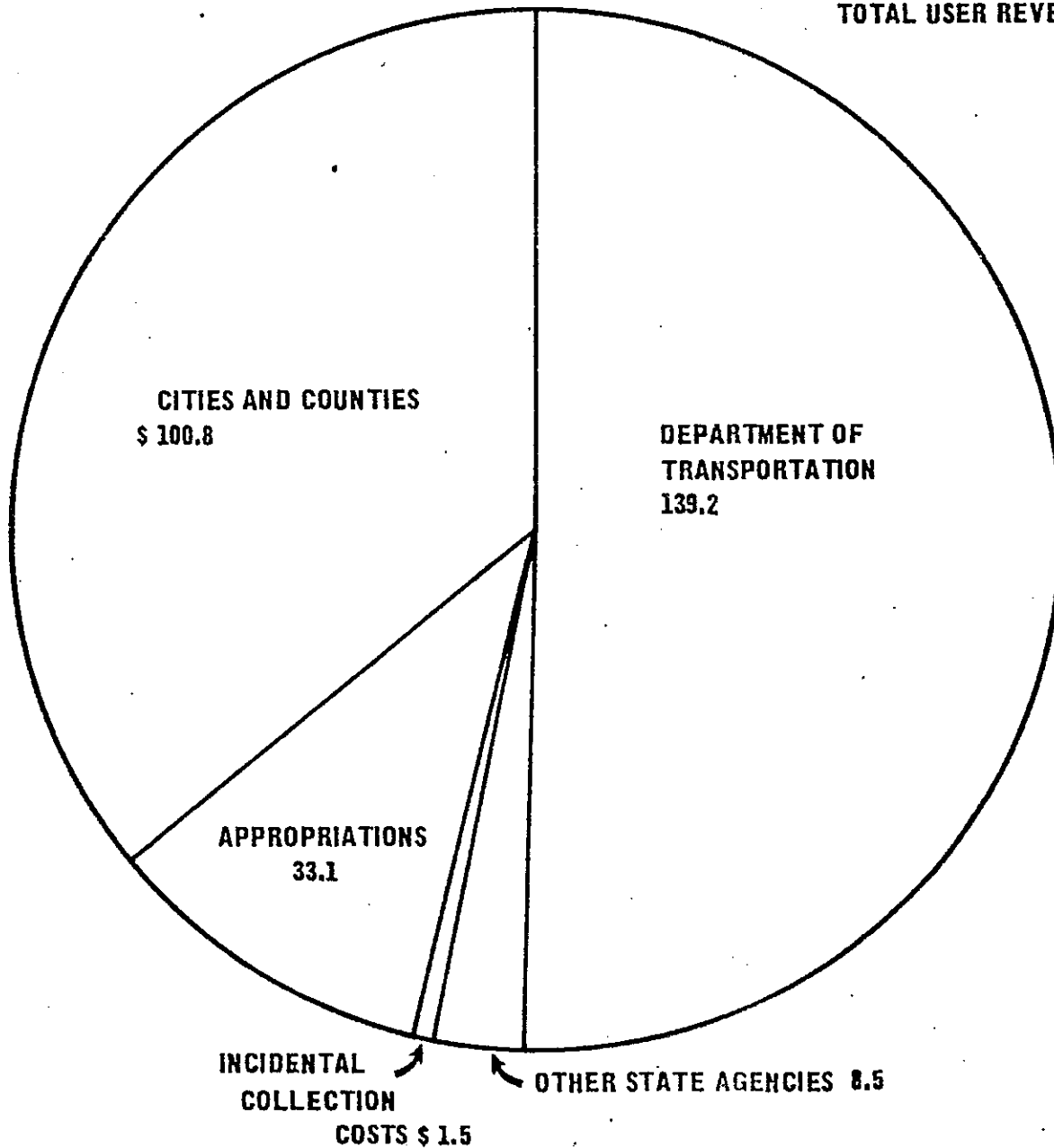
**BREAKDOWN OF GAS TAX
8¢ PER GALLON
11¢ PER GALLON**

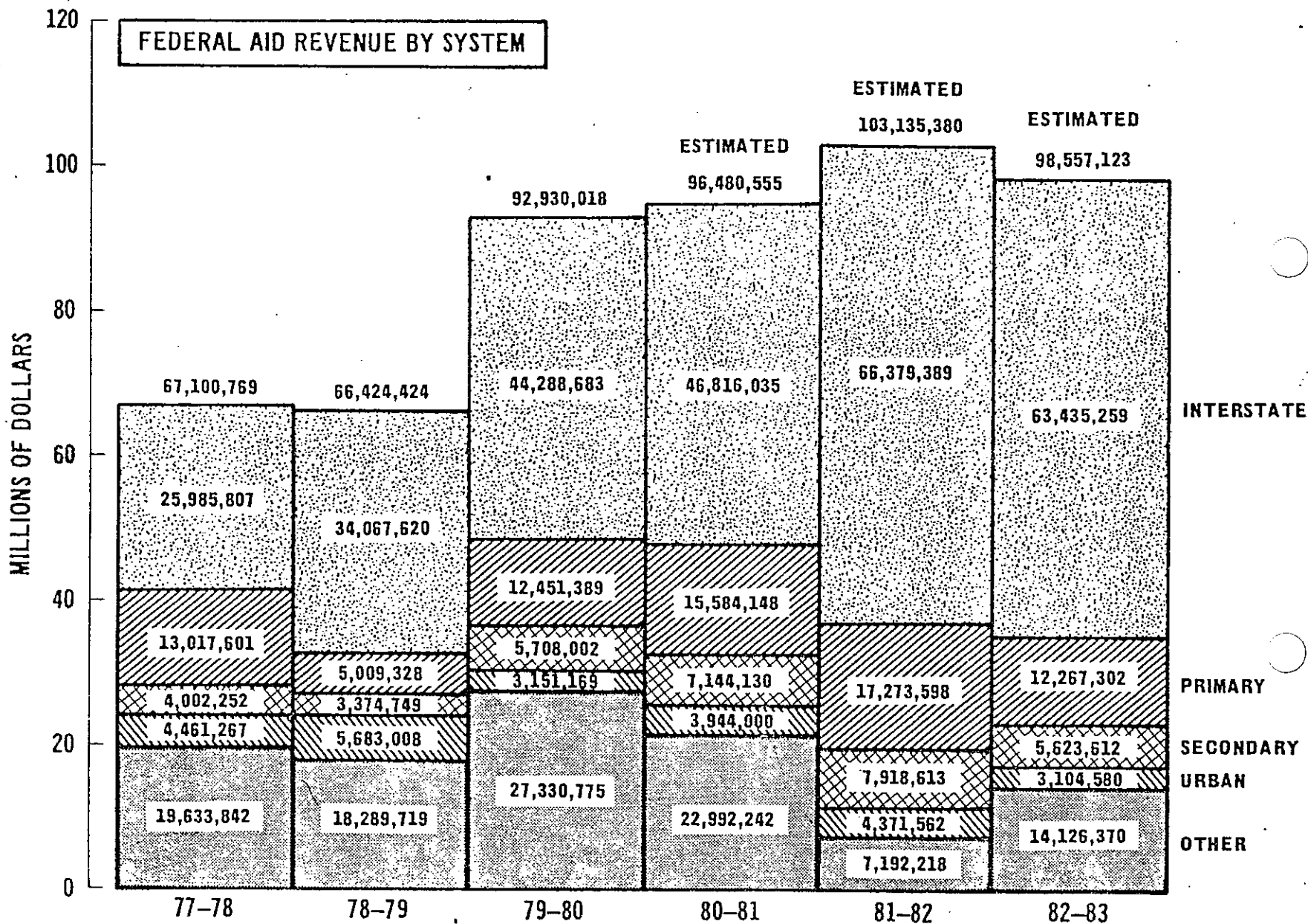


***DEPT. OF WILDLIFE AND DIVISION OF STATE PARKS
RECEIVE A MINOR PORTION.**

HIGHWAY USER REVENUE DISTRIBUTIONS
FOR THE BIENNIUM 81-83
(MILLIONS OF DOLLARS)

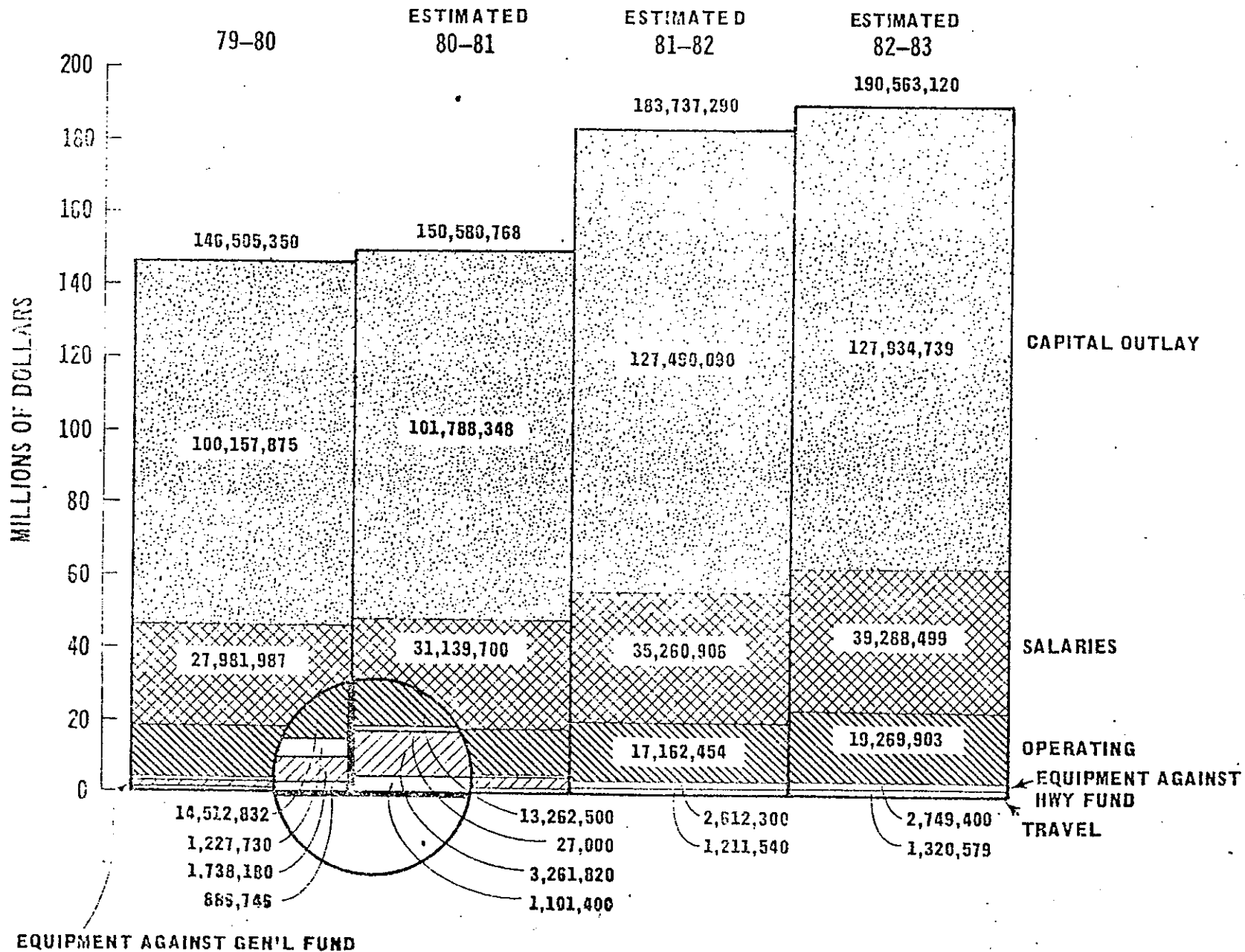
TOTAL USER REVENUES 283.1



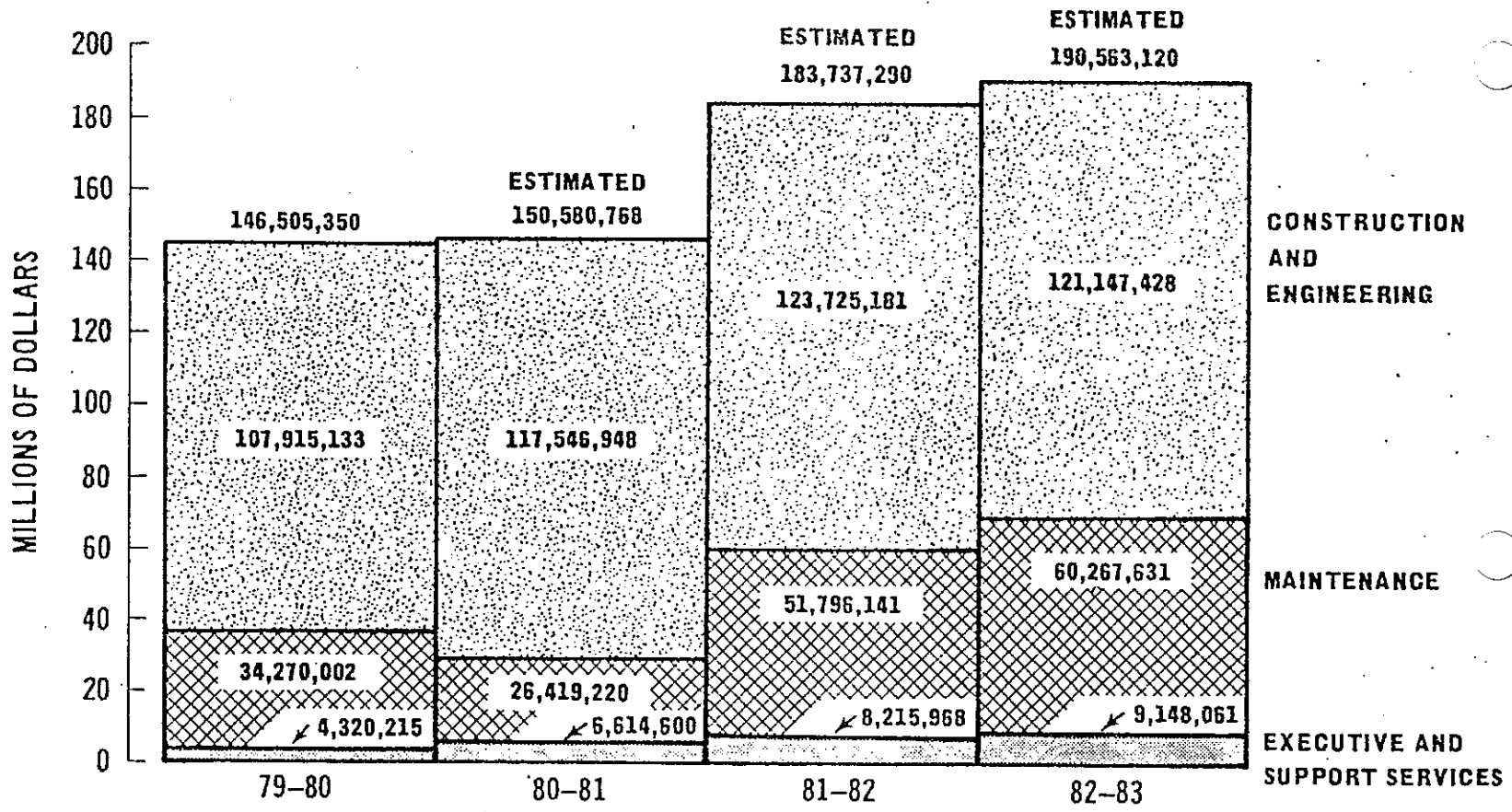


NO. ---
 SUBJECT ---

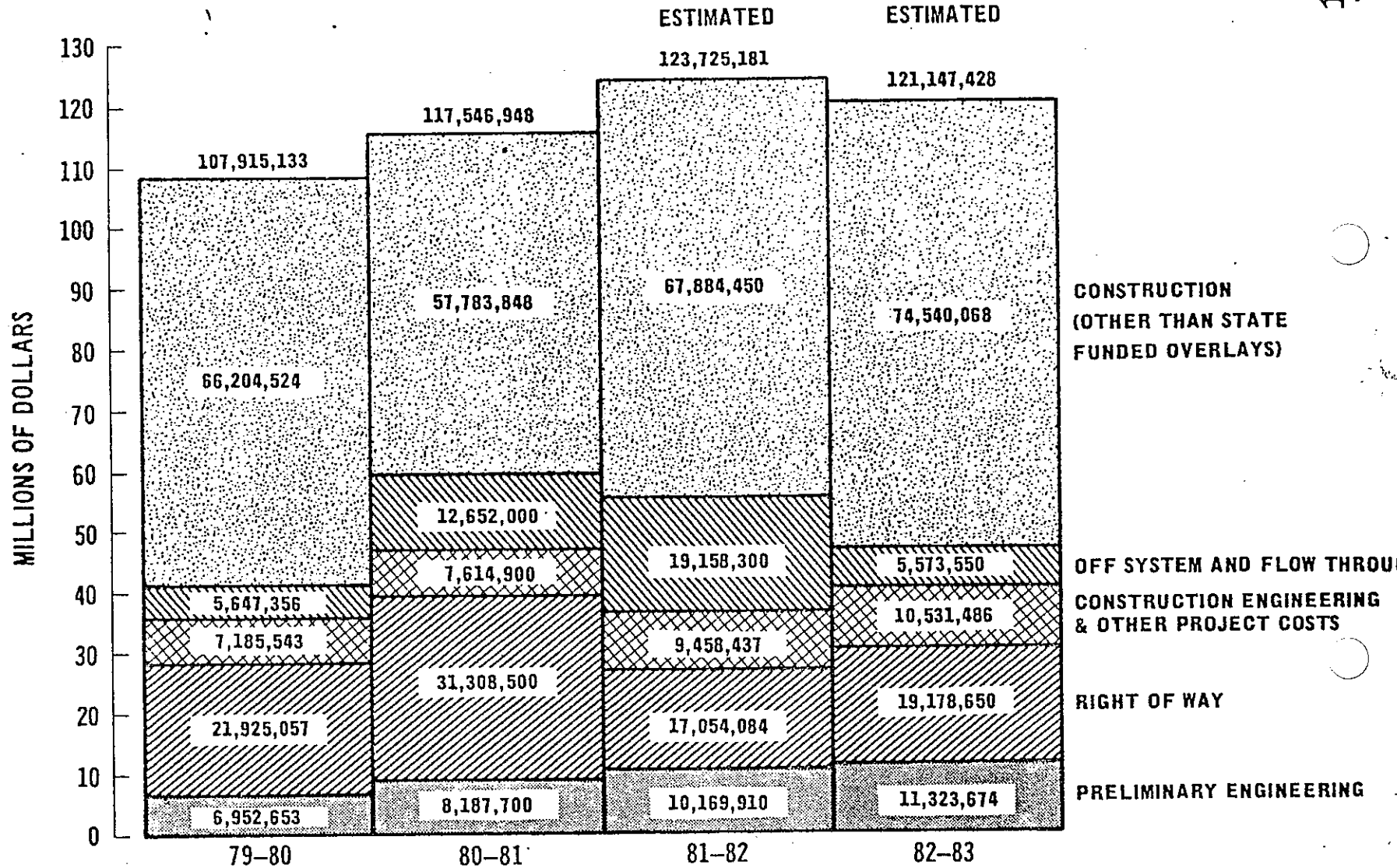
EXPENDITURE BY OBJECT



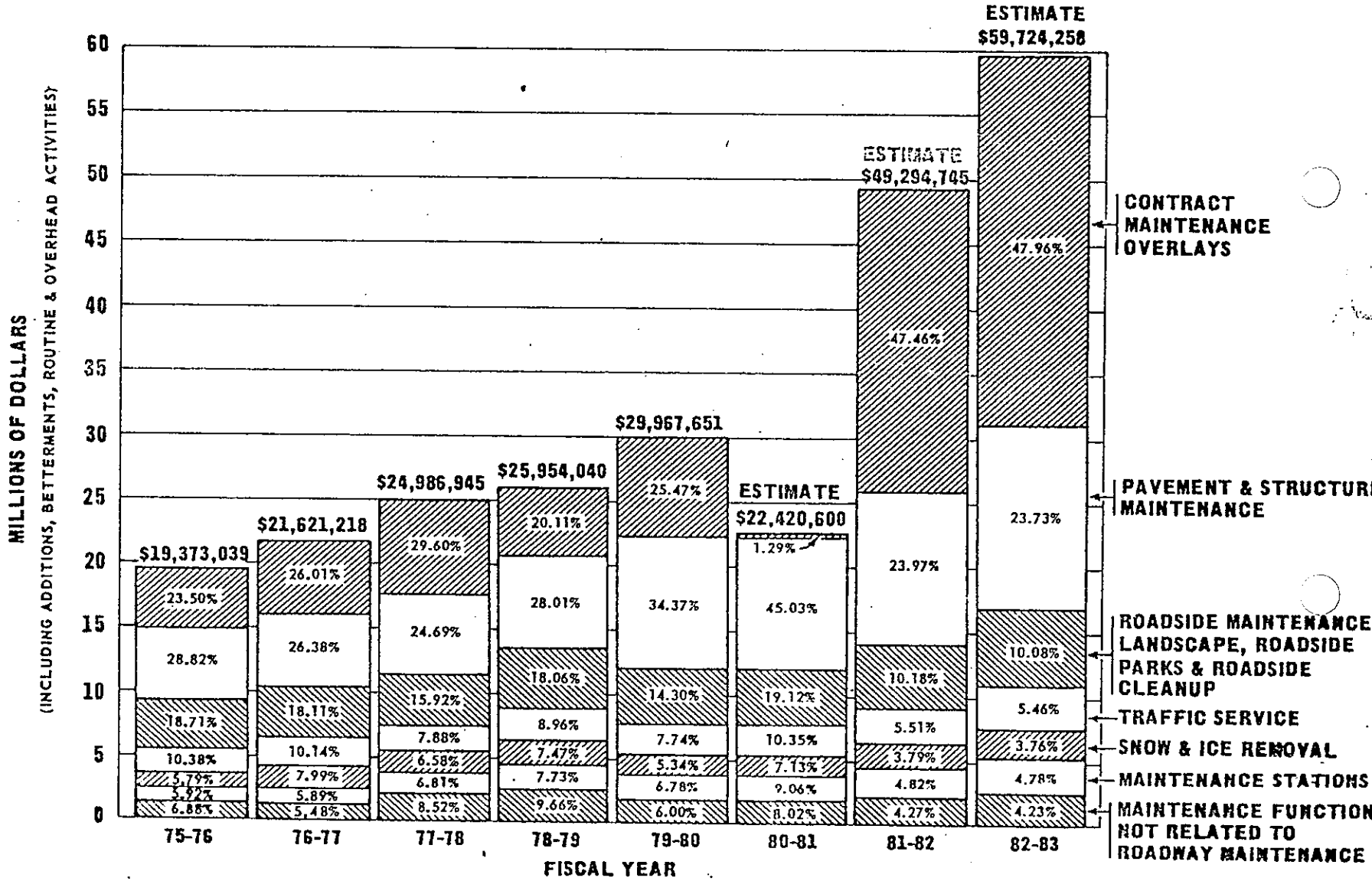
EXPENDITURES BY PROGRAM



**CONSTRUCTION AND ENGINEERING
TOTALS BY YEAR**



MAINTENANCE BY FUNCTION



INVENTORY OF MAJOR MAINTENANCE UNITS

	73-74 INVENTORY	CURRENT INVENTORY	ADDITIONAL DURING 1981-83 BIENNIUM
Lane Miles	11,974	13,970	172
Roadside Mowing (Shdr Miles)	3,059	3,691	117
Roadside Rest Areas	59	54	0
Interchanges	116	132	11
Structures	587	596	21
Landscape Areas (Acres)	12	12	12
Right of way Fence (Miles)	2,750	3,107	183
Lane Striping (Miles)	11,235	16,380	252
Traffic Pvmnt Marking (Sq.Ft.)	155,713	158,250	1,000
Guardrail (Lin.Ft.)	1,230,240	1,767,744	42,000
Maintenance Stations	58	58	0
Tunnels	4	4	0
Ditches (Miles)	4,750	7,947	10
Signs	19,806	20,524	390
Culverts	25,132	25,286	150

Visual Products Division
CATALOG NO. 15-10085-0
MADE IN U.S.A.

EXECUTIVE & SUPPORT SERVICES

EXECUTIVE

DEPARTMENT OF TRANSPORTATION ADMINISTRATION
PROGRAMS & PROJECT MANAGEMENT
FINANCIAL SERVICE & DATA PROCESSING

INTERNAL AUDIT
ACCOUNTING & FINANCE
DATA PROCESSING

PUBLIC INFORMATION
INDUSTRIAL RELATIONS

PERSONNEL
TRAINING
INDUSTRIAL SAFETY

INDIRECT SUPPORT SERVICES

CIVIL RIGHTS
LEGAL SERVICES
FLIGHT OPERATIONS
REPRODUCTION
OFFICE SERVICES
BUILDINGS & GROUNDS
PURCHASING & STORES

NO. -----
SUBJECT -----

**PROJECTION OF
HIGHWAY FUND BALANCE**
(Based on "Governor Recommends")

HIGHWAY FUND BALANCE 7/1/80	ESTIMATED REVENUES	ESTIMATED EXPENDITURES & APPROPRIATIONS	ESTIMATED HIGHWAY FUND BALANCE 6/30/83
	\$ 158,139,638 (FY 81)	\$ 160,445,613 (FY 81)	
	196,965,489 (FY 82)	196,965,489 (FY 82)	
	205,510,018 (FY 83)	205,510,018 (FY 83)	
\$ 8,128,499*	\$ 560,615,145	\$ 562,921,120	\$ 5,822,524
9,121,722**	560,615,145	562,921,120	6,815,747

* REFLECTED IN EXECUTIVE BUDGET SUBMISSION
 ** REFLECTED IN SUBSEQUENT BALANCE SHEET AFTER NDOT BOOKS CLOSED
 (DIFFERENCE RELATES TO ENCUMBERANCES)

**MAINTENANCE
LIQUID ASPHALT COSTS**

