1999 HOUSE APPROPRIATIONS

BILL/RESOLUTION NO. HOUSE BILL 1012

House Appropriations Committee

- Conference Committee

Hearing Date January 8, 1999

| Tape Number | Side A | Side B | Meter \# |
| :--- | :---: | :---: | :---: |
| ONE - HB 1012 | Marshall Moore | Marshall Moore | both sides of type |
| TWO - HB 1012 | Marshall Moore |  | 0.0 to 10.5 |
|  |  |  |  |
| Committee Clerk Signature |  |  |  |

Minutes: Tape One, Side A, Meter 0.0 to 59.0

Chairman Dalrymple called the meeting to order with all committee members present.
(\#1A: 1.0) Marshall Moore, Director of the Department of Transportation presented an overview of the department for the 1999-2001 biennium. Mr. Moore detailed the following subjects for the committee: Organizational Structure; Activities and Accomplishments of the Drivers Licenses, Traffic Safety, and Motor Vehicle Divisions; State Fleet, Transit Program and support functions: Factors affecting the state highway system: Funding sources: NDDOT budget request.
(\#1A: 24.9) Rep. Wentz asked if part of the federal money was going to help transport the elderly and disabled? Director Moore stated that several programs in the state were being subsidized.
(\#1B: 18.0) Rep. Delzer questioned the cost of rest stops along the highway? Director Moore stated in round figures as to the purposed cost of a rest stop currently under consideration is about $\$ 2$ million but half is for the parking lot. These rest stops are part of a federal program which is a $91 / 10$ match.
(\#1 A:50.0) Rep. Carlson asked if the cost of disaster repairs were being paid by gasoline tax or FEMA funds. Director Moore stated FEMA funds were used. If a repair is completed within six months of the declared disaster, FEMA is $100 \%$ payment. If a repair is not completed within six months, FEMA is $80 / 20$ payment.
(\#1B: 35.1) Chairman Dalrymple asked that the Director give the committee an idea of what revenues are created by an one cent gas tax for the state and for the county. Director Moore indicated that one cent would generate $\$ 3,087,000.00$ for the state and $\$ 1,127,000.00$ for the counties.

Page 2
House Appropriations Committee
Bill/Resolution: House Bill 1012
Hearing Date: January 8, 1999
(1B: 10.3) Director Moore invited everyone over to the NDDOT to review the day to day operations.
(\#1B: 10.5) House Bill 1012 was referred to Appropriations Government Operations Division for detail review.

House Appropriations Committee
Government Operations Division

- Conference Committee

Hearing Date January 14, 1999


Minutes:

A BILL FOR AN ACT TO PROVIDE AN APPROPRIATION FOR DEFRAYING THE EXPENSES OF THE VARIOUS DIVISIONS UNDER THE SUPERVISION OF THE DIRECTOR OF THE DEPARTMENT OF TRANSPORTATION.

Summary of Hearing:
Marshall Moore, Director North Dakota Department of Transportation (See attached testimony)
(4.8) Ray Zink, Deputy Director for Engineering Policy (See attached testimony)
(7.6) Discussion on Highway 2 and Environmental Impact Statement.
(8.5) Shannon Sauer, Director Financial Management Division (See attached testimony and green Budget Request booklet) Referred to pages 6-9.
(15.9) Discussion on authority on Cessna airplane lease. Rep. Byerly asked for details and information concerning this issue.
(19.1) Rep. Poolman: Concerning bills dealing with special plates such as Lewis \& Clark plates, does that affect your budget?
(19.4) Marshall Moore: Yes, and as we go we will be putting a fiscal note on each one of those bills.
(20.3) Rep. Huether: On the additional drivers license sites, is there a big demand for that?
(20.5) Marshall Moore: We are trying to be more accommodating to the rural areas and the non-automated sites.
(21.5) Paul Feyereisen, Director State Fleet Services Division (See attached testimony)
(22.8) Rep. Byerly: Where does that $\$ 1.7$ million from the auction sales end up?
(23.0) Paul Feyereisen: It goes back to the Highway Fund.
(27.8) Rep. Tollefson: You indicated the budget was increased by $\$ 4$ million for the next biennium. About half of the increase was result of inflation, now you are talking about specific inflation in the cost of vehicles. Inflation generally, has been quite low. Is that what your reference is to?
(28.2) Paul Feyereisen: That $\$ 4$ million is not only in purchase of new vehicles and equipment, also the repair of vehicles.
(28.8) Discussion of rate of gasoline.
(36.0) Marsha Lembke, Director Drivers License and Traffic Safety Division (See attached testimony)
(43.6) Discussion on Social Security Number on Drivers License and Federal Immigration Act 2000 and how it will affect Drivers License.

Side B
(3.7) Rep Poolman: You have a sizable increase in buildings and land. The increase is $\$ 3.5$ million dollars. Can you explain that.
(4.1) Marshall Moore: Some of the buildings are in very poor shape. We will get you a list and breakdown of further details concerning this. (Discussion on asbestos law suit)
(5.3) Keith Kiser Director Motor Vehicle Division (See attached testimony)
(17.7) Rep. Poolman: Can you explain the merit increases of $\$ 1$ million dollars for engineering positions?

## Page 3

Government Operations Division
Bill/Resolution Number 1012
Hearing Date January 15, 1999
(17.9) Marshall Moore: We asked the governor to put that in our budget because we think we are going to have a real problem hiring technical people and engineers at our present salary level. We are already having trouble hiring for the positions available.
(22.0) Rayelynn Havlick, Executive Director People First in North Dakota Referred to green booklet, page 9, item 6006.

There was no opposition to the bill.
Closed hearing on HB 1012.

## General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

| Date January 27, 1999 |  |  |  |
| :---: | :---: | :---: | :---: |
| Tape Number | Side A | B Side | Meter \# |
| 1 | x |  | $0-15.9$ |
| Roxanne Kohl |  |  |  |
| Committee Clerk Signature |  |  |  |

Minutes:
Chairman Byerly opened the discussion on House Bill 1012.
1A: 0.0 Rep. Poolman discussed amendments on removal of merit increases of engineers, removal of funding for new license plates, removal of teleconference system, removal of BIA grants, and reduction of funding for operating services by request of department.

1A: 1.9 Chairman Byerly asked if the money reduced by the proposed amendments was put back into the Highway line item. Rep. Poolman replied he hadn't designated the money.

1A: 2.3 OMB commented that the committee could designate it depending on their preference.
1A: 3.7 Discussion on engineer salaries and problems attracting job applicants. Rep. Tollefson suggested reducing it by $\$ 500,000$ instead of $\$ 1$ million.

1A: 15.9 Discussion on House Bill 1012 ended.

## General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee

House Appropriations

- Senate Appropriations
- Other

| Date February 8, 1999 |  |  |  |
| :---: | :---: | :---: | :---: |
| Tape Number | Side A | B Side | Meter \# |
| 1 | x |  | 0-47.5 |
| Committee Clerk Signature |  |  |  |

Minutes:
Chairman Byerly opened the discussion on House Bill 1012.
1A: . 8 Rep. Poolman and Rep. Huether presented to committee information on Department of Transportation budget. Commented on vacant engineer/tech. positions - $\$ 1$ million in the budget for the request. Noted that the department would not like to see that taken out of the budget. It is their number one priority to help fill those vacant engineer positions. Rep. Huether further commented on reductions to budget.

1A: 6.2 Rep. Poolman commented on salary trends within DOT. He noted that they are not pooling dollars from vacant FTE positions but sending them back to the Highway Fund. Department is not asking for additional positions but want to stay at the current level (1042).

1A: 10.9 Rep. Carlisle asked if equipment/operation costs are down due to mild winter conditions? Are there any savings? Rep. Huether commented that operations have gone down. Rep. Byerly also commented that gas/motor pool rates are down.

1A: 12.1 Rep. Huether informed the committee of one FTE that can be eliminated. The position has been vacant since 1996 (Auto Worker II).

1A: 12.7 Chairman Byerly commented on validating matches for federal dollars. He would like to know if the money they need for matches is correct due to differences for each grant and program. Rep. Huether and Poolman replied that the DOT provided that information on a spread sheet and presented it to Chairman Byerly.

1A: 19.5 Chairman Byerly asked about new license plates in budget ( $\$ 2.8$ million). Members noted they would not support license plates dollars in the budget.

1A: 23.2 Discussion on asbestos case. Money settled on case would be revenue and used to fix asbestos problem. Department needs authorization from legislature to spend money. Discussion of separate line item for money.

## General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
$\checkmark$ House Appropriations
- Senate Appropriations
- Other

| Date February 9, 1999 |  |  |  |  |
| ---: | :---: | :--- | :--- | :---: |
| Tape Number | Side A | B Side | Meter \# |  |
| 1 | x |  | $0-55.0$ |  |
| 1 |  | x | $0-46.3$ |  |
| Committee Clerk Signature |  |  |  |  |

Minutes:
Chairman Byerly opened the discussion on House Bill 1012.
1A: 24.8 Rep. Poolman proposed amendments to the committee: Administrative; Removal of two vacant FTEs $\$ 78,287$ and $\$ 46,700$. Reduction of IT plan by $\$ 330,000$. Reduction in travel by $\$ 10,000$. Reduce $\$ 41,724$ in teleconferencing pilot project. Reduce funding for additonal automated driver's license sites by $\$ 50,000$. Motor Vehicle; Reduce repair line by $\$ 50,000$, eliminate special plate dollars $\$ 2,827,623$, reduce overtime, temporary line by $\$ 50,000$, reduce operating expenses by $\$ 283,792$. Drivers License; reduce $\$ 30,000$ in temporary and overtime, reduce travel $\$ 6,000$. Highways Program; decrease merit increases from $\$ 1$ million to $\$ 800,000$, reduce repairs by $\$ 200,000$, reduce office supplies by $\$ 100,000$, reduced Bldg., Grounds, Vehicle Maint. Supplies by $\$ 250,000$, reduced office equipment by $\$ 250,000$, reduce section building repairs to $1 / 3$ each biennium

## General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
$\downarrow$ House Appropriations
- Senate Appropriations
- Other

| Date February 10, 1999 |  |  |  |
| :---: | :---: | :---: | :---: |
| Tape Number | Side A | B Side | Meter \# |
| 1 | X |  | 0-10.5 |
| Committee Clerk Signature \$xxamne potil |  |  |  |

Minutes:

Chairman Byerly opened the discussion on House Bill 1012.
1A: 5.5 Rep. Poolman made a motion to adopt the amendment 98012.0102. Rep. Heuther 2nd the motion. On a voice vote the motion carried.

1A: 8.7 Rep. Poolman made a motion for a DO PASS AS AMENDED. Rep. Gulleson 2nd the motion. The motion carried.
6 voting Yes
0 voting No
0 voting Absent
Rep. Poolman will carry the bill to the Appropriations committee.

## General Discussion

- Committee on Committees
$\square$ Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
] House Appropriations
$\square$ Senate Appropriations
- Other

| Date February 15,1999 |  |  |  |  |  |
| ---: | :---: | :---: | :---: | :---: | :---: |
| Tape Number | Side A | B Side | Meter \# |  |  |
| 2 |  | x | $24.8-35.7$ |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Committee Clerk Signature Caser |  |  |  |  |  |

Minutes:

## HB 1012

CHAIRMAN DALRYMPLE opened discussion on HB 1012
2B: 24.8 REP. POOLMAN presented the recommendations for the bill and its proposed amendment 0102. 2B: 31.3 REP. POOLMAN made a motion to adopt amendment 0102 to HB 1012. The motion was seconded by Rep. Huether.
2B: 31.7 REP. CARLSON asked if federal matching funds would be lost. Rep. Poolman said no. Rep. Carlson continued by asking about the $\$ 4.5$ million reduction in federal funds. Rep. Poolman responded that the $\$ 4.5$ million is grants from the Bureau of Indian Affairs which was passed directly through to the reservations.
2B: 33.5 A voice vote was taken and the motion carried.
2B: 33.7 REP. POOLMAN made a motion for a Do Pass as amended. The motion was seconded by Rep. Huether. A roll call vote was taken and the motion carried with 19 yeas, 0 nays, and 1 absent and not voting.

Date:

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 1012

House
APPROPRIATIONS
Committee

## $\square$ Subcommittee on Government Operations <br> or

$\square$Conference Committee

Legislative Council Amendment Number
98012.0102

Action Taken DO PASS
Motion Made By
DOLMAN
Seconded By

Gulleson


If the vote is on an amendment, briefly indicate intent:

## 1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 1012

House

or

$\square$Conference Committee

Legislative Council Amendment Number


Committee
$\square$ $\qquad$
Action Taken AS amended

Motion Made By $\qquad$ Seconded By


| Representatives | Yes | No | Representatives | Yes | No |
| :--- | :--- | :--- | :--- | :--- | :--- |
| Chairman Dalrymple | $X$ |  | Nichols | $X$ |  |
| Vice-Chairman Byerly | $X$ |  | Poolman | $X$ |  |
| Aarsvold | $X$ |  | Svedjan | $X$ |  |
| Bernstein | $X$ |  | Timm | $X$ |  |
| Boehm | $X$ |  | Tollefson | $X$ |  |
| Carlson | $X$ |  | Wentz | $x$ |  |
| Carlisle | $X$ |  |  |  |  |
| Delzer | $x$ |  |  |  |  |
| Gulleson |  |  |  |  |  |
| Hoffner | $X$ |  |  |  |  |
| Huether | $X$ |  |  |  |  |
| Kerman | $X$ |  |  |  |  |
| Lloyd | $X$ |  |  |  |  |
| Monson | $X$ |  |  |  |  |

Total $\qquad$ No $\qquad$
Absent $\qquad$
Floor Assignment Poolman

If the vote is on an amendment, briefly indicate intent:

## REPORT OF STANDING COMMITTEE

HB 1012: Appropriations Committee (Rep. Dalrymple, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (19 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1012 was placed on the Sixth order on the calendar.

Page 1, line 9, replace " $26,902,044$ " with " $25,797,360$ "
Page 1, line 10, replace "10,646,562" with "7,413,072"
Page 1, line 11, replace " $9,352,175$ " with " $9,281,759$ "
Page 1, line 12, replace " $553,629,335$ " with " $553,523,851$ "
Page 1, line 13, replace " $34,708,905$ " with " $34,677,551$ "
Page 1, line 14, replace "all" with "special" and replace " $635,239,021$ " with " $630,693,593$ "
Renumber accordingly

## STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 801 - DEPARTMENT OF TRANSPORTATION
HOUSE - This amendment makes the following changes:

|  | EXECUTIVE BUDGET | HOUSE CHANGES | HOUSE VERSION |
| :---: | :---: | :---: | :---: |
| Administration | \$26,902,044 | (\$1,104,684) | \$25,797,360 |
| Motor vehicle | 10,646,562 | $(3,233,490)$ | 7,413,072 |
| Driver's license | 9,352,175 | $(70,416)$ | 9,281,759 |
| Highways | 553,629,335 | $(105,484)$ | 553,523,851 |
| Fleet services | 34,708,905 | $(31,354)$ | 34,677,551 |
| Total all funds | \$635,239,021 | (\$4,545,428) | \$630,693,593 |
| Less special funds | 635,239,021 | $(4,545,428)$ | 630,693,593 |
| General fund | \$0 | \$0 | \$0 |
| FTE | 1,042.00 | (2.00) | 1,040.00 |

Detail of House changes to the executive budget includes:

|  | REDUCE COMPENSATION PACKAGE TO 2/2 | ADJUST HEALTH INSURANCE COST | DELAY MARKET SALARY ADJUSTMENTS TO 1/1/2001 | REMOVE FUNDING FOR NEW LICENSE PLATE ISSUE | REDUCE TELECONFERENCE SYSTEM FUNDING | REDUCE ENGINEERING MERIT INCREASES |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Administration | (\$113,015) | \$29,507 | $(\$ 27,586)^{1}$ |  | $(\$ 120,355)^{3}$ |  |
| Motor vehicle | $(34,609)$ | 12,534 |  | $(\$ 2,827,623)^{2}$ |  |  |
| Driver's license | $(51,931)$ | 17,515 |  |  |  |  |
| Highways | $(808,914)$ | 229,787 |  |  |  | $(\$ 200,000)^{4}$ |
| Fleet services | $(25,381)$ | 8,037 |  |  |  |  |
| Total all funds | (\$1,033,850) | \$297,380 | $(\$ 27,586)$ | (\$2,827,623) | $(\$ 120,355)$ | (\$200,000) |
| Less special funds | (1,033,850) | 297,380 | (27,586) | (2,827,623) | $(120,355)$ | (200,000) |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
|  | $\begin{gathered} \text { REDUCE } \\ \text { CAPITAL } \\ \text { IMPROVEMENTS } \end{gathered}$ | REDUCE GRANTS | $\begin{aligned} & \text { REMOVE } \\ & \text { VACANT } \\ & \text { POSITIONS } \end{aligned}$ | REDUCE PROGRAM FUNDING | ADD HIGHWAY CONSTRUCTION FUNDING | TOTAL HOUSE CHANGES |
| Administration |  |  |  | $(\$ 873,235){ }^{8}$ |  | (\$1,104,684) |
| Motor vehicle |  |  |  | $(383,792) 9$ |  | $(3,233,490)$ |
| Driver's license |  |  |  | $(36,000)^{10}$ |  | (70,416) |
| Highways | $(\$ 1,238,000)^{5}$ | $(\$ 4,372,266)^{6}$ | $(\$ 110,977)^{7}$ | $(800,000)^{11}$ | \$7,194,88612 | $(105,484)$ |
| (1) LC, (2) DESK, (3) BILL CLERK, (4-5-6) COMM |  |  | Page No. 1 |  |  | HR-31-3179 |


| Fleet services |  |  | $(14,010)^{7}$ |  |  | (31,354) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Total all funds | (\$1,238,000) | (\$4,372,266) | (\$124,987) | (\$2,093,027) | \$7,194,886 | (\$4,545,428) |
| Less special funds | (1,238,000) | (4,372,266) | $(124,987)$ | (2,093,027) | (7,194,886) | $(4,545,428)$ |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | (2.00) | 0.00 | 0.00 | (2.00) |

House changes narrative:

1 In addition to the two percent annual salary increases, funding is included to provide a market equity salary increase of the following monthly amount to each of the listed positions for the final six months of the biennium:

| POSITION | MONTHLY <br> INCREASE |
| :--- | ---: |
| Director | $\$ 186.83$ |
| Deputy | $\$ 568.08$ |
| Deputy | $\$ 506.75$ |

2 Removes funding included in the executive budget for a new license plate issue during the 1999-2001 biennium.

3 Reduces funding from the highway fund for a teleconference system for the department's central office and its eight district offices. Funding of $\$ 41,725$ is provided for a pilot project involving three sites.

4 Reduces funding by $\$ 200,000$ from the highway fund, from $\$ 1,000,000$ to $\$ 800,000$, for merit increases for engineering positions.

5 Removes funding from the highway fund for capital improvements relating to replacing 12 section buildings. Funding of $\$ 619,000$ remains to replace six section buildings during the 1999-2001 biennium.

6 Removes federal funding for grants. The department no longer expects to receive federal funds from the Bureau of Indian Affairs to provide as grants to the Indian reservations. The federal funds will be provided directly to the reservations.

7 Removes the following vacant positions:
(1 FTE) Transportation management officer from the highways program (1 FTE) Auto service worker II from the highways program ( $70 \%$ ) and Fleet Services (30\%)

8 Administration program reductions include:

Information technology hardware Travel
Driver's license site automation -
The executive budget included
$\$ 100,000$ to automate 10 sites
Indirect cost funding which was
included in the executive
budget but which will not be billed to the department by the Office of Management and Budget for the 1999-2001
biennium
Total
$(\$ 873,235)$

9 Motor vehicle program reductions include:
Temporary and overtime salaries
Repairs
Operating fees and services
$(\$ 50,000)$
$(50,000)$
$(283,792)$
Total
(\$383,792)

10 Driver's license program reductions include:
(1) LC, (2) DESK, (3) BILL CLERK, (4-5-6) COMM
Temporary and overtime salaries
Travel
(\$30,000) Travel
$(6,000)$
Total
$(\$ 36,000)$

11 Highways program reductions include:

| Repairs | $(\$ 200,000)$ |
| :--- | ---: |
| Office supplies | $(100,000)$ |
| Maintenance supplies | $(250,000)$ |
| Office equipment and furniture | $\underline{(250,000)}$ |
|  | $(\$ 800,000)$ |

12 Highway fund reductions made to the department's budget are added to the highways program for providing additional funding for highway construction.

The schedule below presents the funding sources for the department for the 1999-2001 biennium.

|  | EXECUTIVE <br> BUDGET | HOUSE <br> CHANGES | HOUSE <br> VERSION |
| :--- | ---: | ---: | ---: |
|  |  |  | $\$ 0$ |
| Highway fund | $\$ 230,742,666$ | $\$ 230,742,666$ |  |
| Federal funds | $368,287,450$ | $(4,514,074)$ | $363,773,376$ |
| Public transportation fund | $1,500,000$ | $(31,354)$ | $3,500,000$ |
| Fleet services fund | $\underline{34,708,905}$ | $\underline{34,677,551}$ |  |
| Total all funds | $\$ 635,239,021$ | $(\$ 4,545,428)$ | $\$ 630,693,593$ |

1999 SENATE APPROPRIATIONS

HB 1012

Senate Appropriations Committee

- Conference Committee

Hearing Date March 9, 1999

| Tape Number | Side A | Side B | Meter \# |
| :---: | :---: | :---: | :---: |
| 1 | X |  | 1-end |
| 1 |  | X | 1-5000 |
| 4/02/99 1 | X |  | 800-4066 |
| Committee Clerk Signature |  |  |  |

Minutes:

SENATOR NETHING: Opened the hearing on HB1012; A BILL FOR AN ACT TO PROVIDE AN APPROPRIATION FOR DEFRAYING THE EXPENSES OF THE VARIOUS DIVISIONS UNDER THE SUPERVISION OF THE DIRECTOR OF THE DEPARTMENT OF TRANSPORTATION.

MARSHALL W. MOORE: Director of the North Dakota Department of Transportation to testify in support of HB1012 (testimony attached (tape 1, side A, meter 100-670).

RAY ZINK: Deputy Director for Engineering Policy to testify in support of HB1012 (testimony attached (tape 1, side A, meter 710-970).

SENATOR SOLBERG: Who's responsibility is the overweight trucks?
RAY ZINK: Enforcement and scales are under the jurisdiction of the Highway Patrol.
PAUL FEYEREISEN: Director, State Fleet Services Division to testify in support of HB1012 (testimony attached, tape 1, side A, meter 1124-1520).

SENATOR ST. AUBYN: One of the agencies testimony commented in their transportation costs were going to go down because of a reduction in the rates? Is this something we can apply to all the agencies?

PAUL FEYEREISEN: January 1st we readjusted the rate for all fleet vehicles. This was due primarily to the gas rates in the past six months. That was a downward adjustment. In some rental groups, they were decreased in the area of $15 \%$.

Senate Appropriations Committee
Bill/Resolution Number HB1012.lwp
Hearing Date March 9, 1999

SENATOR ST. AUBYN: Can we get a history to show us the fleet rates of the last years?
PAUL FEYEREISEN: Yes, we can provide this to you.
SENATOR ST. AUBYN: I noticed in some of the agencies reductions, this is one of the areas on the $95 \%$ budget reduction, they identified this as one area to reduce by number of vehicles. I think that directly fits in. You talk about the depreciation rate because there's fewer miles and I think that's what happens when the rates go up, it's seems people use the vehicles less and then it's a spiraling affect. Have you looked at that to identify stabilizing those rates?

PAUL FEYEREISEN: They have stabilized and are going down. Consequently, that is exactly what we were expecting and we commented on that in 1995, that this would happen.

SENATOR ST. AUBYN: If they are going down, can we get a list of agencies and the rates to compare to see if those reductions are reflected in their budgets?

PAUL FEYEREISEN: I know we have looked at the rates and the budget guidelines that we sent the agencies back in April. We did readjust the Highway Patrol budget about a month ago. We decreased their per mile rate by $\$ .03$ and that was in the Patrol's budget as I recall. We looked at all the rest of the rates and all the rental groups and I simply cannot see where there would be a significant savings or ability for us to advise for reduction.

SENATOR SOLBERG: Regarding the buying of fuel. In the maintenance yards, it causes some problems with some of these smaller towns when you have two dealers and they are dealing with only one. Is there any way around this? One doesn't get any business and has never been asked.

PAUL FEYEREISEN: The direction we gave the District Engineer, and I believe they are following it, is, it is up to them to maintain a fuel supply in their smaller town. In particular, that they have an arrangement to get fuel seven days a week, not 24 hours a day, but at least daylight hours. This is where the problem lies. They are a little bit leery because they want to make sure they can get the fuel when needed. During the summertime especially, they should share the business. We will monitor and make sure that they do.

SENATOR BOWMAN: What inflation rate did you use when you figured your $\$ 4 \mathrm{M}$ increase.
PAUL FEYEREISEN: We used $8 \%$ for the two year period for both the operating side and the depreciation on our new vehicle purchase price. $4 \%$ a year.

SENATOR LINDAAS: On page 5, Truck Tractor DSU, is that for Dickinson State University? Aren't they discontinuing that program?

PAUL FEYEREISEN: Yes, that is for Dickinson State University. Last I heard, there was talk about moving it to the East, Wahepton.

## Page 3

Senate Appropriations Committee
Bill/Resolution Number HB1012.lwp
Hearing Date March 9, 1999

MARSHA LEMBKE: Director Drivers License and Traffic Safety Division to testify in support of HB1012 (testimony attached (tape 1, side A, meter 2480-3110).

SENATOR ANDRIST: The Highway Patrol also has a Safety Division, how do you interact with them? Do we really need two agencies on the Safety Patrol?

MARSHA LEMBKE: That is one and the same safety implementation. We administer the Highway Safety Program, which is through the Federal Grant moneys. They apply and ask for contracts with us each year.

KEITH KISER: Director, Motor Vehicle Division to testify in support of HB1012 (testimony attached (tape 1, side A, meter 3245-3633).

SENATOR NETHING: Did the House have reasons on not implemented the new license plates?

KEITH KISER: The House Committee talked along the lines of the difficulties of supporting the concept of asking for additional revenue and then spending it on new licenses plates at a time when the department was trying to generate revenue to match Federal Highway funds. That's the only explanation I recall receiving.

SENATOR SOLBERG: Paragraph 3, of course everybody has heard about the snowmobile that got registered as a 1900 model. We've had discussions regarding the computer system and computer problems. Evidently we are not very far along. Can you expand on that?

KEITH KISER: The 1900 snowmobile. What we have done is made some temporary patches in our current computer system which was implemented in 1969. We had to do that because the project we have on the board for a new computer system was not done on schedule. There was actually five snowmobiles that we identified and corrected. Our new system that's being developed, we have not completed this project, we have completed parts of it and we believe it's moving forward and moving towards completion. We estimate another year before the system is fully operational. The contractors are working on it and it's being done at no additional cost to us. The costs are picked up by the contractor. Customer service has not been impacted as a result of the delays we've experienced.

SENATOR SOLBERG: How long have you been working on this system?
KEITH KISER: July 1996 with a completion date of October 1997.
SENATOR SOLBERG: What's going to happen in the year 2000? What was your report to IDS with Y2K?

KEITH KISER: I'm confident that we are not in trouble, that we are not going to have Y2K significant problems. We have other issues that relate to Y2K. We've been calculating fees for the year 2000 for several months without a glitch. We have other areas that we're dealing with

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Y2K. I certainly believe that the temporary corrections to our existing program will carry us until the new system is completed. The delay is not unique, other State's are also having problems. We're not happy with the delays and the contractors are aware. I'm not sure what we gave to IDS but, I will be happy to supply you with a copy.

SENATOR ANDRIST: It is the nature of people to be angry every time they see an enabled bodied person have a handicapped parking sticker. It seems to go to the vehicle and not the person. Has this been explored?

KEITH KISER: Handicapped parking does go to the person, they need to make application and it's certified by a physician as being qualified within the statute. We can't defend misuse of the privilege. Sometimes disabilities are not visible to the naked eye. It doesn't happen but, there are enforcement mechanisms available to deal with that.

SENATOR ST. AUBYN: Page 8, your projecting $1 \%$ growth with registrations and title revenue. How does that compare with OMB's revenue projections for new vehicles, tax and etc.?

KEITH KISER: I don't know directly. We share all of our information with them and they consult with us as we look at revenue projections.

SENATOR ST. AUBYN: If your projecting $1 \%$, what did you project in the current biennium?
KEITH KISER: I think two years ago it was $11 / 2-2 \%$. This time I projected seven years back to develop an average of $1 \%$.

SENATOR ST. AUBYN: Could you share that with our committee on what you've seen?
KEITH KISER: I will put that together and get that to you.
SENATOR NETHING: We would like to have that based on the projection and what the actual was.

SHANNON SAUER: Director, Financial Management Division to testify in support of HB1012 (testimony attached, tape 1, side A, meter 5168-end and side B 1-340).

SENATOR ST. AUBYN: Suggested reduction of $\$ 800,000$. You mention you no longer need the Risk Management coverage and is there going to be a reduction in the Fleet Services due to this?

PAUL FEYEREISEN: Risk Management, run out of OMB does not need premium dollars this next biennium or this biennium. Fleet rates won't be adjusted, we used actual costs to establish the rates.

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SENATOR GRINDBERG: You mentioned the reduction in the teleconferencing system. Mr. Heck with ISD talked about starting a process of strategic planning for teleconferencing and video conferencing at State agencies around the State. Is this for the department here in Bismarck or DOT offices around the State?

MARSHALL W. MOORE: ISD had allowed us to use a teleconferencing system for six months and it proved very successful. The system was to link eight district offices and the central office. It would be used for meetings and training to elevate travel. Certainly, shared facilities among agencies would be appropriate and we did share that system we used. Now, they cut $3 / 4$ of that out. This would allow enough for three sites or even be portable to try different sites.

SENATOR GRINDBERG: How much usage do you see on a monthly basis and etc.
MARSHALL W. MOORE: I couldn't give you that in hours but, it would be used extensively. We are currently moving some of our design work out to the District Engineers and Technicians. This way we can use the expertise in the central office to assist those people.

SENATOR TOMAC: I don't understand the OMB indirect costs and where that is being made up at, $\$ 483,235$, where does that get picked up?

CELESTE KUBASTA: In preparation of the budget for each agency, the Office of Management and Budget has a checklist of questions we go through concerning indirect costs and whether or not an agency should be billed. A few biennium's ago we reduced the number of agencies we went through. When I did the checklist for the Department of Transportation, my final analysis was that DOT should not be billed for indirect costs because, if they paid money into the General Fund, it means we would need to make up the revenues with either gas or motor vehicle tax. There was no money built into the General Fund Revenue forecast for the $\$ 480,000$. The communication between Shannon and I didn't occur and he still thought he would be paying that money and we did not build it in the revenue forecast.

SENATOR NETHING: Page 3 of the charts and schedules. I like the way you laid this out. Did the House explain how they derived at the cuts, they all end in zero's, was it an across the board percentage?

MARSHALL W. MOORE: We were not in everything that occurred. We were in some of the things discussed, FTE cuts were generally taken. We're not sure which item in the budget they intended to look at, it wasn't discussed.

SENATOR TALLACKSON: When it came over from the House, was the tax at the rack still in here? There is a lot of opposition out there to that.

MARSHALL W. MOORE: Because the bill had passed, we do think that is an important piece of Legislation along the way. We really believe it's going to bring a lot more revenue than that to the State. We took the bills as they stood.

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SENATOR NAADEN: Who's going to pay that extra revenue?
MARSHALL W. MOORE: Every State that's moved from taxing at the dealer to the rack has found that the increase in fuel tax the next year was considerable.

SENATOR NAADEN: Is the producer going to pay it or is the bulk agent?
MARSHALL W. MOORE: The tax will be applied at the rack, it would be paid there. Actually the user eventually pays it all. This is fuel that is being sold that has not paid the tax.

SENATOR SOLBERG: It was mentioned on the budget, the Indian Gas Pac. There was an agreement awhile back with one of the Tribes. You said it cost about $\$ 400,000$ for one tribe. How quick is this going to spread to the other tribes, what is that going to cost us and why was it signed? Where do we stop?

KEITH KISER: The Department of Transportation is not involved in that. That was an agreement between the Tax Department and the Tribes. There are legitimate reasons why they went to that but, certainly, the Tax Commissioner could more appropriately give you the details. As to whether it will go to other Reservations, I think we also have agreements on those Reservations on the cigarette tax. Many States have also had to deal with the gas tax on Reservations.

SENATOR SOLBERG: Our maintenance and construction costs continuing on. That doesn't make any difference does it? We will continue on maintaining \#5 through the Reservation whether they pay the tax or not. Is that right?

KEITH KISER: That's absolutely correct and also the Division of the Motor Fuels Tax, Motor Vehicle License fees that go into the highway distribution fund will be distributed to the Counties that have Reservations, the same way they would before. The difference is, the fuel that is sold on the Standing Rock Reservation, $75 \%$ of the fuel tax will be returned to the Tribe.

SENATOR ANDRIST: Are all the proposed restorations Special Funds or Federal Funds?
MARSHALL W. MOORE: Yes, no General Funds.
SENATOR ANDRIST: Please explain the transferring the fuels tax from the dealer to the rack.
KEITH KISER: The Tax Department is the one who applies the gas tax and can probably do a better job answering this question. It basically is, they are going to apply the gas tax at the terminal rack, that's where the tax on the fuel will be paid. That is the way the Federal tax is paid now and has been for the last several years, instead of at the dealer. When the Federal Government moved to the rack, they had a tremendous amount of surge in the number of gallons taxed.

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SENATOR ROBINSON: Do we have a projection in terms of what we expect the difference will be in terms of collections?

KEITH KISER: Tax Department is reluctant to make a projection on what that might be.
SENATOR KRAUTER: You made reference to what the bill came in originally but, I didn't hear you mention what happened as the House made their changes to the license fee, vehicle registrations fees, originally it was $\$ 11 \mathrm{M}$. What's the status of that now?

MARSHALL W. MOORE: They took it out completely. There isn't any revenues from the Motor Vehicle License fee or revenue in the License fee increase in HB1183 now. They just basically Hog Housed the bill and made it a $\$ .01$ gas tax increase which would go into effect July 1, 1999 and sunset on June 30, 2000 and it also has a trigger on it.

SENATOR NETHING: On page 5, you talk about the four bills that are out there that apparently have an increase. If those four bills would pass as they are, the bottom line is almost a $\$ 2.5 \mathrm{M}$ hit on your funds?

MARSHALL W. MOORE: In House bill 1380, that would be directly offset by $\$ 1.00$ increase in the Motor Vehicle License fee. Another bill out there increases the suspension fees, it brings in about $\$ 900,000$. A graduated license bill is about $(\$ 27,000)$. There are some things out there that would take care of a significant amount of this $\$ 2.5 \mathrm{M}$.

SENATOR NETHING: If any of those revenue sources change within any of those bills and depending upon how they were handled, could have an impact on your bottom line.

MARSHALL W. MOORE: One other thing we want this committee to look at is a lawsuit against us dealing with the handicapped placard. We've lost it and haven't made a decision whether to take it to the Supreme Court but, we think at this point that the decisions around the country don't look good and we want you to look at an amendment to settle that case. It didn't get in on the House side but, it's important that we have the ability to settle that case, $\$ 360,000$. This is the placard that was started. ADA says we cannot charge for these and this is what went to court. The moneys didn't come to our department, the moneys went to Human Services for the employment of the Handicapped. The Legislature put that case out there at the request of the Handicapped and now the class action of the Handicapped is back and we're supposed to give it back to those individuals at $\$ 9$ each. We'll bring that amendment and I think they are going to put it in the Human Services budget. We think this is appropriate, it should be General Funds because that's where the money went.

SENATOR NETHING: I'm concerned about the funding sources for where we are in providing matching funds. There is still a lot of things circulating. Have we taken care of the gas tax that is going to expire?

MARSHALL W. MOORE: That's House bill 1130. That makes the $\$ .20$ permanent. I don't think it's come out of committee yet.

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SENATOR NETHING: Assuming the other bills continue to flow the way they are, where are we going to be? We're still short. Is that going to impact our matching money?

MARSHALL W. MOORE: Yes, that still impacts our matching money. Right now, depending upon those bills, we're maybe $\$ 2-4 \mathrm{M}$ dollars short with the $\$ 9.9$ and the $1 \%$ gas tax and the rack tax. If any of those fall out, we're going to have to go back and pick it up someplace else.

SENATOR NETHING: What does another cent do if we have to go to $\$ .02$ ?
MARSHALL W. MOORE: $\$ .01$ will bring the department $\$ 6 \mathrm{M}$ a biennium. Each cent brings in about $\$ 5 \mathrm{M}$ total per year of which $\$ 2 \mathrm{M}$ goes to the Cities and Counties and $\$ 3 \mathrm{M}$ to the State fund.

SENATOR TALLACKSON: During the biennium, the committee looked at the increase in registration fees, $\$ 15$. What will that bring?

MARSHALL W. MOORE: The original House bill 1183, which increased automobiles $\$ 15$, pickups $\$ 20$ and trucks $10 \%$, brought in about $\$ 11 \mathrm{M}$ to the department or $\$ 17 \mathrm{M}$ total. The House Transportation Committee cut that bill in half. Each dollar you raise the Motor Vehicle License plate, brings in about $\$ 750,000$ a year.

SENATOR ROBINSON: Supposing the gas tax is approved at $\$ .03$ and that's made permanent. Where will we be gas tax wise in terms of the neighboring state's?

MARSHALL W. MOORE: Montana - \$.27
South Dakota - \$. 22
Minnesota - $\$ .20$
North Dakota - $\$ .20$ (assuming HB1130 passes)
SENATOR TOMAC: If HB1130 passes this just makes the $\$ .20$ existing tax permanent and adds a $\$ .01$ trigger?

MARSHALL W. MOORE: HB1130 makes the existing tax permanent and HB1133 has the $\$ .01$ tax. The reason we looked seriously and came forth with a recommendation of a Motor Vehicle License increase because, we were looking at the considerable amount of our population in the Red River Valley. If we increase the gas tax a lot more than Minnesota, the dealers are going to have an impact, $\$ .01$ doesn't make much of a difference but, $\$ .02$. Our Motor Vehicle License fees are way low compared to Montana and Minnesota.

SENATOR NETHING: The Motor Vehicle License fees don't impact the consumer, they impact the owner. In the House you did have a new License Plate issue in your budget as part of your request, and the House removed that. I would like you to tell this committee, why that was in your budget in the first place.

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MARSHALL W. MOORE: Motor Vehicle License plates issue started in 1992. If we would start a new plate in this session, those plates would be issued in December 1999. The current plates would then be out there for seven years. That's about the longest plate we've had out there. Some State's go about issuing in different ways rather than a general issue. We can look at alternatives if you want us too.

SENATOR NETHING: What is it that's pending in the Senate, the House sent over a bill?
MARSHALL W. MOORE: A Lewis and Clark plate bill which would have us design a plate. This would be $\$ 25$ a year, like the personalized plate. The money would be designated to the Highway Trust Fund, not in our budget.

SENATOR TOMAC: What is the initial cost of the issuance of a license plate?
MARSHALL W. MOORE: A complete reissue is $\$ 2.8 \mathrm{M}$ and the plate will last for $7-10$ years.
SENATOR SOLBERG: There has been a lot of talk especially along the border and the gas tax situation. Please explain to the committee the International Fuel Tax Compact and the Registration Compact.

MARSHALL W. MOORE: There is two or one that deals with the distribution of registration funds, and one with fuel tax. In effect, the States and the Provinces, so that a trucker who drives in multi states pays his fair share of fuel tax and registration fees by the number of miles that he drives in each of the states. All of the states belong to these organizations, however, all of the provinces of Canada do not. All of the Provinces from Saskatchewan west belong to both the International Registration Plan and International Fuel Tax Apportionment plans. From Manitoba, Ontario east, those provinces do not belong, and we do have some lost revenue there. We had some discussions on this and a couple of hearings that deal with reciprocity. We have signed some reciprocity agreements with Manitoba and Ontario, and some of those provinces, and certainly it looses some revenue, but it also would cost some of our truckers, because there are some pretty stiff fees for our truckers to go north.

SENATOR KRAUTER: Is there something in writing in this compact that Manitoba and those provinces will do this on these dates, or is that just our assumption?

MARSHALL W. MOORE: We do not have anything in writing, we have some verbal things and they have made the commitment that they will.

SENATOR KRAUTER: How long has this compact been in place?
MARSHALL W. MOORE: It has not been many years since all the states have even belonged.
SENATOR SOLBERG: When our trucks go north now, they do not have to buy trip permits either.

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MARSHALL W. MOORE: We did not write the agreements for the Canadians, we wrote the agreements for our trucks. Our truckers were the ones who wanted the agreements so that they could have the agreement to go north. We are in the process with Manitoba right now to give them our computer program to use so that they can set their system. In the green handout on Page 10 is the crux of the Transportation Act.

SENATOR NETHING: Closed the hearing on HB1012. The subcommittee on this will be; Senator Nething, Senator Kringstad, and Senator Tallackson.


ALAN KNUDSON: Legislative Council explained the amendments (attached (tape 1, side A, meter 800-1288).

SENATOR NETHING: Just to give you an overview of what we've done here. First, as indicated 7 and 8 came to us in HB1344 and when we finish this bill, we will recommend a do not pass on that bill. So, we have included those two areas. The one area on Section 5, the part relating to the voluntary application and paying a $\$ 10$ fee for one year was included in HB1344. The House had passed that over to us so, as far as the question of the license plate, that part came from the House, the voluntary part. The Governor had requested in his bill a new issue of license plates to be a Lewis \& Clark plate. We've incorporated that into this bill now so, we really have a blend of what the Governor wanted, what the House approved and now we're sending it back in a compromised way of both of those positions. The portion of the Roughrider Industry appropriation, it comes from Special funds and gives them authority to lay in the raw materials to provide for the production of the plates. The Legislative Council study grew out of a request that we haven't looked at the Fleet Services program since inception and so we're asking the Council to consider studying that. The additions and deletions that were talked about relating to the House budget, the department prioritized and these were their priorities and it was their recommendation on item 5 , page 3 , that we reduce the funding in that given area which should then result in a decrease in the rental fees that are charged by the fleet program.

SENATOR KRINGSTAD: Moves the adoption of the amendments.
SENATOR TALLACKSON: Seconded the motion.

SENATOR SOLBERG: I'm not going to vote for the amendment because I'm not for the issuance of plates, number one and dropping the Peace Garden in the State, I will not go along with that for a ten year period. I don't get very provincial on many things, this is one I'm going to. Lewis \& Clark is just fine and dandy, they're going to come and go but the Peace Garden is going to be there for many years to come. One year I could handle but now we've turned it into

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a general issuance. The information technology, I'm not sure if that is where we need it and where it should be and if we've got all the bugs out of it. I'm still nervous of what's happening in the department at this point in the game and we can't get a 2000 plate title issued. I think we 've got some work to do in the department. For that reason, I will oppose the amendments.

MARSHALL MOORE: What we asked back from what the House had cut is only enough to cover the increased costs from ISD, over and above from what our budget was last biennium. They cut $\$ 330,000$ and we ask for the amount back to hold us harmless from the increase of costs from ISD.

SENATOR NETHING; So, it's really an expense cost, it's not an expansion of your system?
MARSHALL MOORE: That's correct.

SENATOR ANDRIST: What makes me uncomfortable with the amendment is the ultimate hit. I know the license plate issue was a contentious issue before we came into session and I don't know how my constituents would feel now. I would like to see a system where we separate the cost of license plates from registration. If people want to take good care of their plates and can use them at least up to ten years and when they want a new plate, they pay an extra $\$ 10$. Then we can get out of the business of appropriating money specifically for plates. This comes close to doing that, at least it does for the first year. If people know if they just wait a year, they can get that plate for nothing, it makes me uncomfortable.

MARSHALL MOORE: There is a couple things. Currently, anyone that has a beat up plate that wants to come in, can get a new set of plates for $\$ 5.00$. At some point along the way we always come to the point where we want to redo the design of the plate and then you come to the question of how you do the reissue. We've done a complete reissue so we don't have a whole bunch of plates out there. It becomes a problem with law enforcement to deal with the determining of who has a current plate and who doesn't. I agree that you can do it. At some point you do get to the point of losing the reflectivity on the license plate and etc..

SENATOR NAADEN: Every so often you have to renew those plates or there is an awful lot of people who aren't licensing cars or trucks and etc.. When you change that plate then everybody has to have one.

ROLL CALL: 11 YEAS; 3 NAY; 0 ABSENT \& NOT VOTING.
Yeas: Nething; Naaden; Lindaas; Tallackson; Tomac; Robinson; St. Aubyn; Grindberg;
Holmberg; Kringstad; Bowman.
Nays: Solberg; Krauter; Andrist.

SENATOR KRINGSTAD: Moved a Do Pass as Amended on HB1012.
SENATOR TALLACKSON: Seconded the motion.

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ROLL CALL: 12 YEAS; 2 NAY; 0 ABSENT \& NOT VOTING.
Yeas: Nething; Naaden; Lindaas; Tallackson; Tomac; Robinson; St. Aubyn; Grindberg; Holmberg; Kringstad; Bowman; Andrist.
Nays: Solberg; Krauter.
Motion passed.
CARRIER: SENATOR NETHING.
SENATOR NETHING: Closed the hearing on HB1012.


1999 SENATE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. Engrossed $4 B / 012$
Senate APPROPRIATIONS
Committee

$\square$
Subcommittee on
or

$\square$Conference Committee
 98012.0205

Action Taken


Motion Made By


Senator

| Senators | Yes | No | Senators | Yes | No |
| :--- | :--- | :--- | :--- | :--- | :--- |
| Senator Nething, Chairman | $\checkmark$ |  |  |  |  |
| Senator Naaden, Vice Chairman | $\checkmark$ |  |  |  |  |
| Senator Solberg |  | $\vee$ |  |  |  |
| Senator Lindaas | $\checkmark$ |  |  |  |  |
| Senator Tallackson | $\checkmark$ |  |  |  |  |
| Senator Tomas | $\checkmark$ |  |  |  |  |
| Senator Robinson | $\checkmark$ |  |  |  |  |
| Senator Krauter |  | $\checkmark$ |  |  |  |
| Senator St. Aubyn | $\checkmark$ |  |  |  |  |
| Senator Grindberg | $\checkmark$ |  |  |  |  |
| Senator Holmberg | $\checkmark$ |  |  |  |  |
| Senator Kringstad | $\checkmark$ |  |  |  |  |
| Senator Bowman | $\checkmark$ |  |  |  |  |
| Senator Andrist |  | $\checkmark$ |  |  |  |

Total
(yes) //
No


Absent $\square$
Floor Assignment
Senator
If the vote is on an amendment, briefly indicate intent:

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. Engrossed $H B / 012$

Senate APPROPRIATIONS
Committee

口
Subcommittee on or
$\square$ Conference Committee
Legislative Council Amendment Number 98012.0215

Action Taken
Do Pass As Amended

Motion Made By

## Senator <br> 



| Senators | Yes | No | Senators | Yes | No |
| :--- | :---: | :---: | :---: | :---: | :---: |
| Senator Nething, Chairman | $\checkmark$ |  |  |  |  |
| Senator Naaden, Vice Chairman | $\checkmark$ |  |  |  |  |
| Senator Solberg |  | $\checkmark$ |  |  |  |
| Senator Lindaas |  |  |  |  |  |
| Senator Tallackson | $\checkmark$ |  |  |  |  |
| Senator Tomas | $\checkmark$ |  |  |  |  |
| Senator Robinson | $\checkmark$ |  |  |  |  |
| Senator Krauter |  | $\checkmark$ |  |  |  |
| Senator St. Aubyn | $V$ |  |  |  |  |
| Senator Grindberg | $\checkmark$ |  |  |  |  |
| Senator Holmberg | $\checkmark$ |  |  |  |  |
| Senator Kringstad | $\checkmark$ |  |  |  |  |
| Senator Bowman | $\checkmark$ |  |  |  |  |
| Senator Andrist | $\checkmark$ |  |  |  |  |

Total
(Yes) $\qquad$ No 2

Absent $\qquad$
Floor Assignment
Senator NEthivg
If the vote is on an amendment, briefly indicate intent:

## REPORT OF STANDING COMMITTEE

HB 1012, as engrossed: Appropriations Committee (Sen. Nething, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1012 was placed on the Sixth order on the calendar.

Page 1, line 2, after "transportation" insert "; to provide an appropriation to the department of corrections and rehabilitation; to provide for a legislative council study; to create and enact a new section to chapter 39-04 of the North Dakota Century Code, relating to commemorative Lewis and Clark number plates; and to amend and reenact sections 39-04-08.1, 39-04-11, and subsection 4 of section 39-04-19 of the North Dakota Century Code, relating to the display of and fees for number plates and tabs"

Page 1, line 9, replace " $25,797,360$ " with " $25,957,360$ "
Page 1, line 10, replace " $7,413,072$ " with " $9,713,072$ "
Page 1, line 11, replace " $9,281,759$ " with " $9,448,859$ "
Page 1, line 12, replace "553,523,851" with "548,126,965"
Page 1, line 13, replace " $34,677,551$ " with " $33,751,351$ "
Page 1, line 14, replace " $630,693,593$ " with " $626,997,607$ "
Page 1, after line 20, insert:
"SECTION 3. APPROPRIATION - ROUGHRIDER INDUSTRIES. There is hereby appropriated from special funds, derived from income, the sum of $\$ 1,700,000$, or so much of the sum as may be necessary, to the department of corrections and rehabilitation for the purpose of defraying the expenses associated with the production of a Lewis and Clark commemorative license plate for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 4. LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying, during the 1999-2000 interim, the fleet services program of the department of transportation. The study should include a review, the cost-effectiveness of the program, and the methods used to project and set motor pool rates.

SECTION 5. A new section to chapter 39-04 of the North Dakota Century Code is created and enacted as follows:

Commemorative Lewis and Clark number plates. The director shall design and issue a distinctive number plate commemorating Lewis and Clark. Notwithstanding section 39-04-12, the Lewis and Clark plate does not require the slogan "peace garden state". An applicant is entitled to receive this plate upon payment of an additional fee of ten dollars per registration period between December 1 . 1999, and November 30, 2000. All additional fees collected under this section must be deposited in the highway fund.

SECTION 6. AMENDMENT. Section 39-04-08.1 of the North Dakota Century Code is amended and reenacted as follows:

39-04-08.1. Assignment of motor vehicle number plates. Motor vehicle number plates may not be assigned as a reward for any political activity, in recognition of any political affiliation or membership in any political party, or on the basis of political
favoritism. Except as provided in sections 39-04-10 and 39-04-10.3, the department shall charge a nonrefundable fee of ten dollars if an applicant chooses a number plate other than the number plate randomly assigned. However, an elected state office may be assigned a single or double digit number on a number plate as requested by that official. The department of transportation shatl may adopt rules governing the assignment of numbers on motor vehicle number plates in accordance with this section.

SECTION 7. AMENDMENT. Section 39-04-11 of the North Dakota Century Code is amended and reenacted as follows:

39-04-11. Display of number plates and tabs. Except as otherwise specifically provided, a person may not operate or drive a vehicle on the public highways of this state unless the vehicle has a distinctive number assigned to it by the department, and two number plates, bearing the distinctive number conspicuously displayed, horizontally and in an upright position, one on the front and one on the rear of the vehicle, each securely fastened, except number plates assigned to a motorcycle, trailer, or housetrailer must be attached to the rear thereof. When only one number plate is furnished for an apportioned vehicle licensed under the international registration plan as authorized in section 39-19-04, truck tractor, or semitrailer, the plate must be attached to the front of the apportioned vehicle or truck tractor and the rear of the semitrailer. The bottom of each number plate must be at a height of not less than twelve inches [ 30.48 centimeters] above the level surface upon which the vehicle stands. Each plate must be mounted in a manner that does not cover any words, letter, or number on the plate. As far as is reasonably possible, the plates must at all times be kept free and clear of mud, ice, or snow so as to be clearly visible and all number plates, markers, or evidence of registration or licensing except for the current year must be removed from the vehicle. All vehicle license plates issued by the department continue to be the property of the state of North Dakota for the period for which the plates are valid. An annual registration tab or sticker for the current registration year must be displayed on each number plate, in the area designated by the department for the tab or sticker, in those years for which tabs or stickers are issued in lieu of number plates.

SECTION 8. AMENDMENT. Subsection 4 of section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate."

Renumber accordingly

## STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 801 - DEPARTMENT OF TRANSPORTATION
SENATE - This amendment makes the following changes:

|  | EXECUTIVE BUDGET | HOUSE VERSION | SENATE CHANGES | SENATE VERSION |
| :---: | :---: | :---: | :---: | :---: |
| Administration | \$26,902,044 | \$25,797,360 | \$160,000 | \$25,957,360 |
| Motor vehicle | 10,646,562 | 7,413,072 | 2,300,000 | 9,713,072 |
| Driver's license | 9,352,175 | 9,281,759 | 167,100 | 9,448,859 |
| Highways | 553,629,335 | 553,523,851 | $(5,396,886)$ | 548,126,965 |
| Fleet services | 34,708,905 | 34,677,551 | $(926,200)$ | 33,751,351 |
| Total all funds | \$635,239,021 | \$630,693,593 | (\$3,695,986) | \$626,997,607 |
| Less special funds | 635,239,021 | 630,693,593 | $(3,695,986)$ | 626,997,607 |
| General fund | \$0 | \$0 | \$0 | \$0 |
| FTE | 1,042.00 | 1,040.00 | 0.00 | 1,040.00 |

Detail of Senate changes to the House version includes:

|  | RESTORE INFORMATION TECHNOLOGY FUNDING | RESTORE TEMPORARY SALARIES AND REPAIRS | RESTORE TEMPORARY SALARIES | RESTORE REPAIRS AND EQUIPMENT | REDUCE <br> INSURANCE AND EQUIPMENT LEASE/RENTALS | REDUCE HIGHWAY CONSTRUCTION FUNDING |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Administration | \$160,000 1 |  |  |  |  |  |
| Motor vehicle |  | \$100,000 2 |  |  |  |  |
| Driver's license |  |  | \$30,000 3 |  |  |  |
| Highways |  |  |  | \$450,000 4 | (\$926.200) 5 | $(\$ 7,194,886)^{6}$ |
| Fleet services |  |  |  |  | (\$926,200) |  |
| Total all funds | \$160,000 | \$100,000 | \$30,000 | \$450,000 | $(\$ 926,200)$ | (\$7,194,886) |
| Less special funds | 160,000 | 100,000 | 30,000 | 450,000 | $(926,200)$ | $(7,194,886)$ |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
|  | $\begin{gathered} \text { ADD } \\ \text { PUBLIC } \\ \text { TRANSPORTATION } \\ \text { GRANTS } \end{gathered}$ | ```ADD FUNDING RELATED TO HB }129``` | ADD FUNDING RELATED TO SB 2406 | $\begin{aligned} & \text { ADD } \\ & \text { FUNDING FOR } \\ & \text { NEW LICENSE } \\ & \text { PLATE ISSUE } \end{aligned}$ | OTHER <br> CHANGES | TOTAL SENATE CHANGES |
| Administration |  |  |  |  |  | \$160,000 |
| Motor vehicle |  |  |  | \$2,200,000 10 |  | 2,300,000 |
| Driver's license |  | \$110,000 8 | \$27,100 9 |  |  | 167,100 |
| Highways | \$1,348,000 7 |  |  |  |  | $(5,396,886)$ |
| Fleet services |  |  |  | - | - | (926,200) |
| Total all funds | \$1,348,000 | \$110,000 | \$27,100 | \$2,200,000 | \$0 | $(\$ 3,695,986)$ |
| Less special funds | 1,348,000 | 110,000 | 27,100 | 2,200,000 | - | $(3,695,986)$ |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Senate changes narrative:
1 Restores $\$ 160,000$ of the $\$ 330,000$ highway fund reduction made by the House to information technology hardware funding in the administration program.

2 Restores $\$ 50,000$ removed by the House for temporary salaries and $\$ 50,000$ removed by the House for repairs in the motor vehicle program.
${ }^{3}$ Restores $\$ 30,000$ of funding from the highway fund removed by the House for temporary salaries in the driver's license program.

4 Restores $\$ 200,000$ of funding from the highway fund removed by the House for repairs and $\$ 250,000$ of funding from the highway fund removed by the House for office equipment and furniture in the highways program.

5 Reduces funding for lease/rental equipment by $\$ 126,200$ and insurance by $\$ 800,000$ from the Fleet Services fund in the Fleet Services program.

6 Reduces funding for highway construction added by the House from budget reductions made in other areas of the department's budget. The department does not need this additional appropriation authority to match anticipated federal highway construction funds for the 1999-2001 biennium.

7 Adds funding from the public transportation fund for grants to public transportation providers as a result of the additional funding generated pursuant to provisions of House Bill No. 1380.

8 Adds funding as follows in the driver's license program for costs associated with the provisions of House Bill No. 1291 (graduated driver's license):

| Temporary salaries | $\$ 50,000$ |
| :--- | ---: |
| Operating expenses | $\underline{60,000}$ |
| Total | $\$ 110,000$ |

9 Adds funding in the driver's license program for operating costs associated with the provisions of Senate Bill No. 2406 (proof of liability insurance).
${ }^{10}$ Adds funding in the Motor Vehicle Division for a new license plate issue. A section is added to the bill providing that the department begin issuing a distinctive Lewis and Clark plate in December 1999 that an individual may choose to purchase for an additional fee of $\$ 10$. The general issuance of the Lewis and Clark plate will begin in December 2000.

A section is added appropriating $\$ 1.7$ million of special funds to Roughrider Industries for producing the new license plates.

A section is added providing for an interim Legislative Council study of the Fleet Services program.
A section is added authorizing the department to charge an additional $\$ 10$ fee if an individual requests a specific number plate.

Sections are added providing that license plates must be mounted in a manner that does not cover any part of the plate, that the license plate tabs be placed only in the designated area on the plate, and that the department may issue smaller plates for trailers, if requested.

## 1999 HOUSE APPROPRIATIONS

## CONFERENCE COMMITTEE

HB 1012

## Appropriations Committee

## $\square$ Conference Committee

Hearing Date April 9, 1999

| Tape Number | Side A | Side B | Meter \# |
| :---: | :---: | :---: | :---: |
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| Committee Clerk Signature Casly Davis |  |  |  |

## Minutes:

Chairman Byerly opened the meeting on HB 1012.
1B: 3.8 Allen Knudson, Legislative Council: Provided an explanation of the Senate amendments and the Section changes.
1B: 5.6 Rep. Poolman: Is that appropriation of $\$ 7$ million related to the gas tax and registration fees also?
1B: 6.0 Allen Knudson: Yes, that would be in line with the revenue they appropriate.
1B: 6.1 Rep. Poolman: If we restore the money back to the highway construction fund, that would make a difference in the amount of gas tax or registration fee we'd have to put on.
1B: 8.5 Rep. Byerly: It only has to do with specific numbered plates as opposed to vanity plates?
1B: 8.8 Sen. Nething: The difference is that if you didn't ask them, they wouldn't charge you for it.
1B: 9.0 Rep. Poolman: Where does the revenue go for the commemorative plates?
1B: 9.2 Allen Knudson: It goes to the highway fund.
1B: 9.7 Rep. Poolman:So that's the new money for the Lewis and Clark plate and the $\$ 10$ for any sort of other plate?
1B: 9.9 Sen. Nething: It's the volunteer purchase of the new issue of the Lewis and Clark plate, and the continuation of the general issue of the Lewis and Clark plate. The amendment doesn't show anything for a special vanity plate outside of that.
1B: 10.4 Allen Knudson: (Continued review of Senate changes)
1B: 10.9 Sen. Nething: At the same time that we had this bill we also had HB 1344 with the volunteer Lewis and Clark plate, which had the $\$ 25$ fee in it. In the Senate transportation committee they amended 1344 . We took those amendments and plugged them into this bill. Some of this you may have seen before, and some of it you haven't. That's where the volunteer Lewis and Clark plate came into play. The Peace Garden slogan option was not included at that point, it was added by the appropriations committee. The additional fee of $\$ 25$ was reduced to $\$ 10$. The assignment in Section 6 was added by the transportation committee. The Governor had requested a new issue in his budget. The House didn't go along with that, but they did a voluntary issue. These amendments provide for a voluntary issue for one year and then a general issue. There were several other bills that affect this budget. The $\$ 110,000$ from HB 1291, I don't know if that impact is still there or not.
1B: 14.5 Rep. Byerly: On the commemorative license plates that start of as a $\$ 10$ voluntary, and then turn around the next year and become a general issue. It was pretty resounding on the House side that they were not interested in a general issue. The issue of a voluntary plate did pass the House, but it was not a resounding endorsement of the idea. Can I assume that the Senate killed 1344?
1B: 18.8 Sen. Nething: After 1012 was passed we killed 1344.
1B: 19.0 Rep. Byerly: Was there a reason that you didn't just let 1344 go through?

1B: 19.1 Sen. Nething: The subcommittee recommended to the full committee to put it all into one bill instead of having two of them floating around out there. We tried to bring as many related items together as we could. We talked with the transportation chairman and he had no problem with it.
1B:19.6 Rep. Byerly: HB 1344 was a very specific bill that dealt with a decorative plate. Where this made it a general issue.
1B:20.0 Sen. Nething: The reason we delayed the general issue was because the House addressed it in a different form in a different bill. Our transportation committee addressed it, the Governor asked for it, and the reason he asked for it was because the last general issue was in December 1992. The life of that is about eight years or so. This is the longest ND has every gone between general issues.
1B: 20.9 Rep. Byerly: I am forced to mention that Brynhild Haugland is sitting on our side looking over our shoulder.
1B: 21.1 Sen. Nething: We are not concerned about taking out the Peace Garden language. We thought we'd let those who design the plate decide.
1B:21.5 Rep. Byerly: My personal preference is that the Senate is correct on that particular sentence.
1B: 21.8 Sen. Nething: In promoting Lewis and Clark through the four bills that have come through the legislature, we were not interested in putting much money in advertising at this stage of the game. I favored the idea of having 755 sets of billboards doing the advertising during the initial years before the next legislature decides how much advertising they want to pour into it. This would become the basic introductory advertising on it.
1B: 22.7 Sen. Nething: This Section 8, the provision about the license plates on trailers is one that came up because of the difficulty people have expressed about mounting the other plates. It seemed a logical time to accept the amendment from the transportation committee.
1B: 23.5 Rep. Byerly: It strikes me that maybe we should say they're going to be smaller plates. It seems that it would be an administrative nightmare. This is something we could get some input from the department on.
1B: 24.2 Sen. Nething: The big thing was to get some language to address it. Then in Section 7 there's new language. That came out of the transportation committee. Doing the tabs and stickers, you see plates where they just put them anyplace. We talked briefly on Section 6. The department asked us to do that. It gets to be time consuming when people come in and want a certain plate.
1B: 25.4 Rep. Byerly: On Section 7, the only note I wrote to myself was "or what?". I see some of my constituents that stick them on whereever they'll stick, between the letters and numbers or whatever. This perhaps isn't the most important thing in the bill to worry about. At least they put the stickers on. It seems like an awful lot of work to solve a problem I don't think is the biggest thing in the world.
1B: 26.4 Sen. Robinson: I think it's the problem with people putting them in different spots. You have three or four stickers on a license plate, and in terms of the importance of having some uniformity and consistency in placement. There's some argument for that.
1B: 26.7 Rep. Byerly: I've never had a patrolman come to me and say he was concerned about the aesthetics of where the sticker was. Sometimes consistency is the hobgoblin of small minds.
1B: 26.9 Rep. Poolman: Just moving off that minute detail. I asked a question about the reduction of insurance in equipment lease rentals. That's a sizable reduction in insurance.
1B: 27.0 Rep. Byerly: We did get the information in the subcommittee. (Tape inaudible.)
1B: 27.4 Rep. Byerly: Does this imply that rental rates will be recalculated?
1B: 27.5 Marshall Moore, DOT: They are recalculated every quarter.
1B: 25.9 Rep. Byerly: What about the addback in office equipment and furniture? I'm disappointed in the addback of the entire thing. And also the $\$ 200,000$ in the highway fund was a complete addback as well.
1B: 28.3 Sen. Nething: The Senate looks at this as a very efficiently run department. They prioritized what they wanted back, and the Senate tried to reward them for working so efficiently.
1B: 30.9 Rep. Byerly: It appears as though we have some major concerns in the area of a license plate general issuance. Rep. Gulleson has an amendment that addresses some of this concern. Do you want to tell us about that?
1B: 31.5 Rep. Gulleson: (Amendment 0206). What it does is make the license plate a voluntary issuance. This would not be a general issue
1B: 32.7 Sen. Kringstad: Are you trying to make this optional for two years? What about after that?
1B: 32.9 Rep. Gulleson: Yes. I hadn't really looked at anything past the next session.
1B: 33.7 Rep. Byerly: In other words, the amendment removes the general issuance of the plate.
The meeting was adjourned.

BILL/RESOLUTION NO. 1012

## Appropriations Committee

- Conference Committee

Hearing Date April 10, 1999

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Minutes:

## HB 1012

Chairman Byerly opened the meeting on HB 1012.
1A: 31.6 Rep. Byerly: The House members had an opportunity to discuss this. Putting aside the general issue of the license plates, we agree with Sections $4,6,7$, and 8 of the amendments. On page 3 of the amendment, we have no problem with footnote 1,2 , or 3 . We do not agree on item 4 . We accept item $5,6,7$. Item 8 because of the new version of 1291 we do not agree with. Item 9 we accept. Putting aside the general issue of the license plate, we only have problems with footnote 4 , which is the restoration of $\$ 450,000$ total in that line item, and item 8 , which was the change for the provisions of the graduated drivers license.
1A: 33.6 Sen. Nething: Could we ask the department about item 4, the restoration of repairs and equipment, and item 8 ?
1A: 34.1 Marshall Moore, DOT: Those two items deal with repairs beyond our control. We have some miscellaneous revenues over on the revenue side. If you take the $\$ 200,000$ out, the consequences may not be there at all.
1A: 35.7 Rep. Byerly: Is this $\$ 200,000$ an increase from last biennium?
1A: 35.6 Marshall Moore: It is an increase.
1A: 36.3 Sen. Nething: Marshall, do you lose the federal money then?
1A: 36.4 Marshall Moore: If we don't have the spending authority for it, we figure a way to push that to the next biennium.
1A: 37.2 Sen. Nething: $20 \%$ represents the $\$ 250,000$ ? So you were going to use it for office equipment and furniture?
1A: 37.3 Marshall Moore: Well, it's in that line item but it's GIS equipment and GPS equipment.
1A: 37.4 Sen. Nething: What happens if you don't have the equipment?
1A: 37.5 Marshall Moore: We just can't move forward with those items like we would have.
1A: 37.8 Sen. Nething: Do you want to talk about that $\$ 110,000$ ?
1A: 38.0 Marshall Moore: As far as we all recall, there are different things we have to do with the changes involved. But it's not a fiscal effect.
1A: 38.3 Sen. Nething: I keep getting vibes that the bill has changed so much that you no longer need that money. 1A: 39.8 Rep. Poolman: I will move that the House acede to the Senate amendments except for Sections 3, 5 and footnotes 8 , and 10 .
1A: 41.3 Rep. Gulleson: Second.
1A: 41.5 Rep. Byerly: Basically the House accepts all Senate amendments except for the license plate, both commemorative and general issue, and the $\$ 110,000$ for the license bureau.

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1A: 42.5 A roll call vote was taken and the motion carried unanimously.
1A: 43.2 Rep. Poolman: I would further amend to have a Lewis and Clark commemorative plate with the revenue attached to it of $\$ 10$. This would not allow for a general issue plate, it would just be a commemorative plate identical to the bill that was passed out of the House.
1A: 43.6 Rep. Byerly: So the net effect would be, if you remember Rep. Gulleson's amendment, the Section 5 was in her amendment.
1A: 44.0 Rep. Gulleson: Second.
1A: 44.1 Sen. Kringstad: Is it still going to carry the statement "payment of additional fee of $\$ 10$ per registration period"?
1A: 44.4 Rep. Gulleson: Yes.
1A: 45.2 Rep. Byerly: So we have a motion for a commemorative plate, costing $\$ 10$ per registration period. Do we have any discussion on that?
1A: 45.8 A roll call vote was taken and failed with the representatives voting yes and the senators voting no.
1A: 46.6 Sen. Nething: I would move that Section 5 of the bill, delete the language about the Peace Garden Slogan.
1A: 47.4 Rep. Poolman: Section 5 is not part of the bill.
1A: 47.5 Rep. Byerly: That's true.
1A: 47.7 Sen. Nething: We haven't voted to take Section 5 out.
1A: 47.8 Rep. Poolman: My original motion was to include everything except Sections 3, 5, and certain footnotes.
1A: 47.9 Sen. Nething: You were accepting certain amendments. Let's quit playing games and get back to where we want. I want to discuss the general issue in conjunction with the voluntary plate as provided by the Senate.
1A: 48.6 Rep. Byerly: At this point the House has aceded to your amendments except for a general issue and a commemorative plate. It's the position of the House that we have already spoken on the issue. The general issue in this biennium, the House doesn't want to do it.
1A: 49.1 Sen. Nething: It is my understanding that the House addressed the general issue at a cost of $\$ 3$ million. I want to have discussion that will bring about a voluntary plate and a general issue at a substantially reduced cost.
1A: 49.6 Rep. Poolman: It was the position of the House that a sizable majority does not feel that a new plate is needed anytime soon.
1A 50.0 Sen. Nething: A sizable majority of the Senate does.
1A: 50.2 Rep. Byerly: It appears as though, in the House and Senate amendments, the difference for a general issue license plate on the House side was $\$ 2,827,000$. On the Senate side it was $\$ 2.2$ million.
1A: 50.7 Sen. Nething: I wanted to discuss reducing that to about $3 / 4$ of a million dollars.
1A: 51.0 Rep. Byerly: I find that intriguing as to how we would reduce the cost to a significantly smaller number.
1A: 51.4 Marshall Moore, DOT: All we would really need is that for an inventory of plates. We would only need a $1 / 2$ million in spending authority for this biennium.
1A: 52.2 Rep. Poolman: If we do that, we're just delaying by one biennium the $\$ 3$ million appropriation. Is that correct?
1A: 52.4 Marshall Moore: Yes, that's correct.
1A:52.5 Rep. Poolman: So we're basically commiting ourselves for the next biennium to spend the $\$ 3$ million for license plates.
1A: 52.8 Sen. Robinson: I just want to point out that we're going to have this issue before us sooner rather than later. This plate has been around since 1992. We can't go a whole lot longer. The other side of the argument is that if we can build it to allow for a volunteer purchase of the Lewis and Clark plate, we begin to address in some way the promotion of the bicentennial. We could put a lot of money into marketing. The next legislature won't have to consider a more aggressive approach to that. If we don't deal with this now, it's not going to go away. We're already in a situation where these plates have been around longer than any other plates we've ever had.
1B: 0.0 Rep. Byerly: The problem between the two chambers on this is the reissuance of the license plate. I don't believe the commemorative side of it is a particular problem. The general reissue is a problem. We're not coming up on the deadline yet. At this point we're going to have to go back to our respective people and discuss the fundamental differences.
1B: 0.7 Sen. Nething: The chairman of the transportation committee indicated that SB 2440 was defeated in the House. That bill had two sections, one of which related to the requirement for used motor vehicle dealers. He was

Appropriations Conf. Committee
wondering if there would be any possibility of including that section in this bill. It was a legislative council study of used motor vehicle dealers. He explained to me that this wasn't the part of the bill that was in controversy.
1B: 1.5 Rep. Byerly: The way it was explained was the used vehicle dealers and the department were going to get together to come up with something to present to us the next legislative session. I have no problem with it. The meeting was adjourned.

## BILL/RESOLUTION NO. 1012

House Appropriations Committee
Conference Committee
Hearing Date April 12, 1999


Minutes:

Chairman Byerly opened the Conference Committee on House Bill 1012.
1A: 3.0 Rep. Poolman moved to further amend: to add the revisions by Marshall Moore, Director of DOT. Rep. Gulleson seconded the motion. On a Roll Call Vote the motion carried.

1A: 4.4 Rep. Byerly said I did some talking with members and leadership from the House, trying out different options for a new issuance of license plates in this biennium. I've asked Rep. Gulleson to talk to people in her caucus also. She hasn't had a chance to do that yet. Frankly, the feeling still seems to be on the House side that a new issue of the license plates is not something that anyone is really wild about.

1A: 5.0 Senator Nething said on the other hand we've had a position that I propose where we wanted to do a one year voluntary plate and then do a general issue. The proposal that we just put into a frame work on Saturday, we would extend that voluntary phase for two years. And then we would have the license plate general issue start on the 30th of June. I think there has been some general consensus in the Senate that we do need a new issue. There are some that want to hold it off this biennium. They certainly see that next biennium we are going to have to have it. What this proposal would do, and I still don't have the dollar amounts because that is what drives it. But if you can move from a voluntary issue into a general issue in this biennium and get the program started, that takes you away from the December 1 issue date and you can bring it in and flow right into it with everything in place. Your raw materials are in place. Your plates can be in place. They'd be paid for as they are sent out. The fiscal impact would be minimal because of your two year voluntary. Of course the big dollars would have to come into the next biennium because then you would have to pay for the plates as they come from Roughrider Industry. We haven't had a chance to meet with Roughrider Industry to determine just exactly how they would handle that. I have no idea what you explained to the members of

## Page 2

House Appropriations Committee
Bill/Resolution Number 1012
Hearing Date April 12, 1999
your caucus but when you can save the start up money again and that is what we need to know. I think the director made a point that there would be a benefit to having it begin as your voluntary plate expired instead of having a five month drag before you went into your new issue. We are making a decision that we don't have a general issue this biennium. We'll have one next biennium.

1A: 7.6 Rep. Byerly asked you are going to get some information from the department on cost of doing it. Senator Nething said right and primarily the spending authority Roughrider Industries would need. They would borrow from the Bank of North Dakota after they have a contract.

1A: 8.3 Rep. Gulleson asked with the voluntary does that mean when my tabs are due I have the option of just buying the new tabs or paying more and getting a new plate. Senator Nething replied yes you'd pay the $\$ 10.00$ and get the new plate. Rep. Gulleson asked have we done that before. Senator Nething said no I think what we did before was a special plate but it was for the Centennial.

The meeting adjourned.

House Appropriations Committee
1, Conference Committee

Hearing Date April 13, 1999

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Minutes:

Chairman Byerly opened the Conference Committee on House Bill 1012.
1A: . 3 Marshall Moore, Director DOT said if we start the general issue on July 1, 2001 but then have voluntary plate sales between now and then. We would need $\$ 400,000$ in spending authority to both buy the plates for the voluntary issue during the two years and have enough plates so we can both mail them and sell them at the counter at that time. $\$ 100,000$ in spending authority for the voluntary. We would hope that we could sell $\$ 200,000$ worth of plates during the biennium. And Roughrider would need $\$ 300,000$ to buy the raw materials to print the plates. We would have to have the plates in place June 1st.

1A: 1.6 Rep. Byerly said so with that start date then what you are really saying is you are going to be selling them for one month in this upcoming biennium. Marshall Moore said well we could. We send the notices by the first of June.

1A: 1.9 Rep. Poolman said in effect are we not committing the next biennium for $\$ 3$ million dollars in spending authority out of the DOT for next biennium. Marshall Moore said yes. It wouldn't be $\$ 3$ million though because we've already bought the plates. Rep. Poolman said just a comment I think we are just sort of trying to get around in committing the next biennium for dollars for a license plate...if we are committed to not having a general issue license plate this biennium then why would want to commit the next biennium when they should probably be making those decisions.

1A: 2.6 Senator Kringstad said I am curious. Are you people interested in a Lewis \& Clark plate at all? Rep. Poolman said I am interested in a Lewis \& Clark commemorative plate.

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House Appropriations Committee
Bill/Resolution Number 1012
Hearing Date April 13, 1999
Senator Kringstad said if we don't start get it rolling by July 1 of 2001 you can just as well forget it. Why carry that plate beyond the centennial period. I would think you would want to get 7 to 8 years out of that plate. Rep. Poolman said I think the issue on the table is when do we make this a general issue plate is what Marshall is giving us the numbers on and that is the bone of contention here. When does the plate become general issue and should we be making that decision now for the next biennium. Because basically what we are doing here by saying we will sell a general issue plate one month in the end of the biennium all we are doing here is committing funds for the next biennium. I don't think there is any beef here about a commemorative Lewis \& Clark plate that could start immediately.

1A: 3.8 Senator Nething said there is a beef. If we are not going to do a follow up so we take advantage and have a continuity there is a big beef about having an interval plate. So don't take it with the idea that there is a given that we are going to have a voluntary plate. Because if we are not going to do a continual plate of a process and put in place then I'm not going to do a voluntary plate.

1A: 4.1 Rep. Gulleson said are we talking about two separate things here, are we going to talk about a commemorative plate and then separately the beginning of a general issue. Or is it really the same thing, one leading to the other? Senator Kringstad said it is one leading to the other. I would like to find out the cost of the general issue. A voluntary plate could offset that.

1A: 4.9 Senator Robinson said I really think the issue is timing here. The Senate has decided what we want to do and it is a package. The House is not interested in a general issue at this time. We were of the opinion that what we put on the table was a compromise. We can all walk away feeling it was a compromise. You said the House is very strong about no general issuance. Likewise the Senate is very strong about this package we put on the table. So it seems to me what we are talking about is a halfway point and we can accomplish both. We have dumped little or no money in the Lewis \& Clark marketing and this would also have an impact on that process. Some of the plates have been around since 1992 and we are going to have to bite the bullet and replace those plates at some point and time.

1A: 5.8 Rep. Gulleson said the belief of the House Minority caucus is that they are not interested in a license plate at this point at all because of the projections of the budget. I hate to see the Lewis \& Clark celebration to be used to push general issue license plates. We are actually more interested in something as cheap as a bumper sticker for marketing.

1A: 6.4 Rep. Byerly said in my discussions with members of our caucus there were many people that expressed the equivalent of the service plates that we have now or that type of approach where you have a plate that has a sticker on it that is a Lewis \& Clark theme as opposed to the Army, Navy, or the Coast Guard. I don't think we could get support from either sides in the House.

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House Appropriations Committee
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Hearing Date April 13, 1999
1A: 7.5 Senator Nething said my understanding of the House side was that it was taken back earlier in the session they were looking at the request from the governor of a general issue for $\$ 3$ million dollars. And they made a decision not to spend $\$ 3$ million dollars this biennium on license plates. At this stage of the game what we are trying to do is to bridge the gap if you will of your early decision on a $\$ 3$ million dollar project this biennium to accomplish the Senate object of having a voluntary plate which would shift after a period of time... 2 years to a general issue. So we have the consistency of a plate itself. It would carry over then into a biennium cost this year of $\$ 200,000$ with the commitment then being made for the next biennium to have that continuity instead of having a gap of five months between the first of July and December first when a general issue would be authorized. I guess what I've heard from you is money. Three dollars registration apparently causes fear in some people as if it would break anybody out there. I guess I haven't heard from you an argument that two years from now we don't have a license plate. And I don't know if consideration has been given to that because of the proposal you had in front of you. It was dealt with on a different basis. The information provided to us was that we'll have to do a license plate. We will all ready have gone over any period longer then the history of North Dakota. I think we are going to have one. This whole idea of a license plate was built around the promotion of a Lewis \& Clark celebration. What we have tried to do is look at it in a larger picture as we didn't fund some of the marketing. This is a reasonable beginning for the marketing program. I don't think either of your caucuses have looked at a proposition that tries to arrive at the middle ground on the issue. A voluntary plate without a follow up issue is not particularly meaningful.

1A: 10.6 Rep. Poolman asked when the commemorative plate was in did the Senate not go with that. Senator Nething said we didn't go with it because it was referred to our committee and we brought them together and that is what we went with. We tried to take the governor's position and given some regard. He sees the benefit of having a commemorative plate out there as early as possible and that is why he called for a general issue. We have had two volunteer issues. They are very narrow groups of eligibility. One is the Veterans plate and one is the National Guard. The last commemorative plate we had was under Governor Sinner when we had a general issue.

1A: 12.2 Rep. Gulleson said one of the things that happens during the Legislative session as we put together the budgets and when we send these ideas out to the public is also the perception is what is priorities and what is important. I think one of our Caucuses is not in favor of this is we know there will not be desirable levels of funding for schools and some of those other things. So we to say we think it is important to bring out new license plates sends a message that a lot of us just don't want to send. We can probably bypass this extra.

1A: 13.0 Senator Nething said when Governor Sinner was in office the Minority did not feel that way. Times were tough if you recall back in the 80 s when that issue was made. The argument rings a little hollow to me that you tie a $\$ 3$ dollar license plate issue maybe $\$ 6$ per family as if this could impact educational funding. That in theory doesn't have the logic to

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House Appropriations Committee
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Hearing Date April 13, 1999
support it. Rep. Gulleson said and I understand that. But it is the perception of the public of what the Legislature does and what it prioritizes.

1A: 14.2 Rep. Poolman said I think one of the areas where the House Republicans are coming from is with the amount of federal dollars that are now available through the new transportation act we are very concerned about matching dollars and making sure that all of the dollars possible for road construction goes to road construction. And that follows in line with what Rep. Gulleson said that we want to make sure that we are not spending money on the extras and make sure we get enough money into our road construction. Senator Nething said I am not sure the logic of your argument is any better the I heard previously. If you look at the dollars, if you are really concerned about it you'd be a lot more concerned about trying to connect a voluntary issue with a general issue and try to find a way to do that because you save yourself considerable dollars if you accomplish that. I think there are advantages there that you put in place. In eastern North Dakota I realize it is not near as important as it is in western North Dakota. We've heard your people raise that in Conference Committee. But if you look at the good of the state it is an important thing for the state to have these billboards out there.

1A: 16.4 Senator Robinson said as this bill came from the Senate we had all of those concerns. The fact of the matter is if we seize this opportunity and it is soon going to be gone we can save through marketing the plates and having them available, who knows how many of those plates we are going to sell. So the impact from two years from now on a general issuance is going to be considerably less. We thought it was a practical and right decision to make. It is not going to be any less expensive from two years from now.

1A: 18.1 Senator Nething said we have a balance budget right now to match all the dollars and to run the highway dept. with the action we have taken. We are within just about $\$ 19,000$ dollars of the Executive Budget with the action that came from the Senate. I really don't think this is a budget breaking proposal that won't allow us to have money in two years. Every matching dollar is going to match this biennium. I think we ought to back Governor Schafer.

1A: 19.6 Rep. Byerly said I am afraid just based on history I think these voluntary ones have a pretty bad history. Senator Robinson said I think we have a whole new issue here with Lewis and Clark. We are not talking about a focus group. I think significant numbers are going to want the plates and spend the extra $\$ 10.00$. It is not the same as Veterans and National Guard plates.

1A: 23.5 Senator Kringstad said the Conference Committee should look into raising the fees on replacement plates.

The meeting adjourned.

BILL/RESOLUTION NO. 1012

House Appropriations Committee
Conference Committee
Hearing Date April 14, 1999

| Tape Number | Side A | Side B | Meter \# |
| :---: | :---: | :---: | :---: |
| 1 | x |  | $0-16.1$ |
| Committee Clerk Signature |  |  |  |

Minutes:
Chairman Byerly opened the Conference Committee on House Bill 1012.
1A: . 3 Rep. Poolman said we polled the House Republicans and there was not one person in our Caucus that was supportive of any sort of language dealing with the license plate in this biennium and it should be dealt with by the next Legislature.

1A: . 7 Senator Nething said I had the feeling that perhaps we should have some information at least put in the record about the safety aspect of this because I got the feeling that perhaps we had more discussion on safety then you folks had. Rep. Poolman said I don't believe we need to have more information put in on the safety issue because that was discussed at great length on our side also. And that was one of the issues we brought up in the Caucus. I don't believe that is an issue we need to explore any further. Senator Nething said at least the record will show that I did approach the subject and that it was rejected by the Chairman. I move the Conference Committee dissolve. Senator Kringstad seconded the motion.

1A: 2.7 Senator Nething said it seems to me that the Senate has a position and the House has taken the position that they don't want to bridge the gap. You've not come up with a single solution other then to dig your heels in and say no. Perhaps some new members could arrive at a better position on the issue. I think it is the responsibility of both parties to try and bring around a compromise on issues. I don't think you have offered a single thing. We've done just about everything we can to bring about some kind of resolution. I don't see where an effort has been made on license plates to bring us together.

1A: 3.6 Rep. Gulleson said I would disagree. I floated out my amendment for the commemorative plate. I'm not sure what good it would do to appoint a new committee. Both the House Caucuses have taken a strong position on the general issue of license plates.

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House Appropriations Committee
Bill/Resolution Number 1012
Hearing Date April 14, 1999
1A: 4.4 Rep. Byerly said there were significant differences in the bill and the House acceded to just about everything that the Senate did in this bill even though we did not necessarily agree with those things. So to make the statement that the House has made no compromises on this bill is an insult to the members of this committee and our body.

1A: 5.0 Senator Nething said if you go back and listen to the tape you'll find that my comments were directed to this single issue of license plates. I fully appreciate the other work you have done on the bill.

1A: 5.4 Rep. Byerly said I would agree with Rep. Gulleson. We have talked about a commemorative issue more than once. Yesterday we talked about a commemorative as an issue by itself. I think we have discussed some other options. In our Caucus last night we addressed all of the different options. And the bottom line was that I didn't see anyone's hand go up in support of that position. They look at this general issue in the next Legislative session.

1A: 6.4 Senator Nething said it is difficult to imagine there was a discussion about a license plate that would be issued in December and the costs and problems incurred by having a gap if you don't act on it during the session to create the mechanism to carry it through.

1A: 7.1 Rep. Byerly asked would you like us to just roll over and accept your amendments and send it to the floor and then if it comes back with a resounding no vote - is that what you would prefer? Senator Nething said at least then the public is on record with the issue. Rep. Poolman moved a motion to accede to the Senate amendments. Rep. Byerly seconded the motion.
Senator Nething moved to withdraw his motion. Senator Kringstad seconded the motion. On a Roll Call Vote the motion carried.
The meeting adjourned

## BILL/RESOLUTION NO. 1012

House Appropriations Committee

Hearing Date April 14, 1999

| Tape Number | Side A | Side B | Meter \# |
| :---: | :---: | :---: | :---: |
| 1 |  | X | 17.1-23.3 |
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| Committee Clerk Signature <br> Roxamme 中ono |  |  |  |

Minutes:
Chairman Byerly opened the Conference Committee on House Bill 1012.
Discussion of amendment .0210
The Senate receded to amendment .0210 .
On a Roll Call vote the motion carried.

## PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

That the Senate recede from its amendments as printed on pages 1193-1196 of the House Journal and pages 1064-1067 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 2, after "transportation" insert "; to provide an appropriation to the department of corrections and rehabilitation; to provide for a legislative council study; to create and enact a new section to chapter 39-04 of the North Dakota Century Code, relating to commemorative Lewis and Clark number plates; and to amend and reenact sections 39-04-08.1, 39-04-11, and subsection 4 of section 39-04-19 of the North Dakota Century Code, relating to the display of and fees for number plates and tabs"

Page 1, line 9, replace " $25,797,360$ " with " $25,957,360$ "
Page 1, line 10, replace " $7,413,072$ " with " $7,913,072$ "
Page 1, line 11, replace " $9,281,759$ " with " $9,448,859$ "
Page 1, line 12, replace " $553,523,851$ " with " $548,126,965$ "
Page 1, line 13, replace " $34,677,551$ " with " $33,751,351$ "
Page 1, line 14, replace "630,693,593" with " $625,197,607$ "
Page 1, after line 20, insert:
"SECTION 3. APPROPRIATION - ROUGHRIDER INDUSTRIES. There is hereby appropriated from special funds, derived from income, the sum of $\$ 300,000$, or so much of the sum as may be necessary, to the department of corrections and rehabilitation for the purpose of defraying the expenses associated with the production of a Lewis and Clark commemorative license plate for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 4. LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying, during the 1999-2000 interim, the fleet services program of the department of transportation. The study should include a review, the cost-effectiveness of the program, and the methods used to project and set motor pool rates.

SECTION 5. A new section to chapter 39-04 of the North Dakota Century Code is created and enacted as follows:

Commemorative Lewis and Clark number plates. The director shall design and issue a distinctive number plate commemorating Lewis and Clark. An applicant is entitled to receive this plate upon payment of an additional fee of ten dollars per registration period between December 1, 1999, and June 30, 2001. All additional fees collected under this section must be deposited in the highway fund for the purpose of funding the general issuance of the commemorative Lewis and Clark plate after June 30, 2001.

SECTION 6. AMENDMENT. Section 39-04-08.1 of the North Dakota Century Code is amended and reenacted as follows:

39-04-08.1. Assignment of motor vehicle number plates. Motor vehicle number plates may not be assigned as a reward for any political activity, in recognition of any political affiliation or membership in any political party, or on the basis of political favoritism. However, an elected state office may be assigned a single or double digit number on a number plate as requested by that official. Except as provided in sections 39-04-10 and 39-04-10.3, the department shall charge a nonrefundable fee of ten dollars if an applicant chooses a number plate other than the number plate randomly assigned. The department of transportation shatt may adopt rules governing the assignment of numbers on motor vehicle number plates in accordance with this section.

SECTION 7. AMENDMENT. Section 39-04-11 of the North Dakota Century Code is amended and reenacted as follows:

39-04-11. Display of number plates and tabs. Except as otherwise specifically provided, a person may not operate or drive a vehicle on the public highways of this state unless the vehicle has a distinctive number assigned to it by the department, and two number plates, bearing the distinctive number conspicuously displayed, horizontally and in an upright position, one on the front and one on the rear of the vehicle, each securely fastened, except number plates assigned to a motorcycle, trailer, or housetrailer must be attached to the rear thereof. When only one number plate is furnished for an apportioned vehicle licensed under the international registration plan as authorized in section 39-19-04, truck tractor, or semitrailer, the plate must be attached to the front of the apportioned vehicle or truck tractor and the rear of the semitrailer. The bottom of each number plate must be at a height of not less than twelve inches [ 30.48 centimeters] above the level surface upon which the vehicle stands. Each plate must be mounted in a manner that does not cover any words, letter, or number on the plate. As far as is reasonably possible, the plates must at all times be kept free and clear of mud, ice, or snow so as to be clearly visible and all number plates, markers, or evidence of registration or licensing except for the current year must be removed from the vehicle. All vehicle license plates issued by the department continue to be the property of the state of North Dakota for the period for which the plates are valid. An annual registration tab or sticker for the current registration year must be displayed on each number plate, in the area designated by the department for the tab or sticker, in those years for which tabs or stickers are issued in lieu of number plates.

SECTION 8. AMENDMENT. Subsection 4 of section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate."

Renumber accordingly

## STATEMENT OF PURPOSE OF AMENDMENT:

## DEPARTMENT 530 - DEPARTMENT OF CORRECTIONS AND REHABILITATION

CONFERENCE COMMITTEE - A section is added appropriating $\$ 300,000$ of special funds to Roughrider Industries for producing Lewis and Clark license plates. The House did not include any funding and the Senate version had included $\$ 1.7$ million for producing the plates because
under the Senate version the general issuance of the plates would have begun in December 2000 rather than July 2001.

## DEPARTMENT 801 - DEPARTMENT OF TRANSPORTATION

CONFERENCE COMMITTEE - This amendment makes the following changes:

|  | EXECUTIVE BUDGET | HOUSE VERSION | CONFERENCE COMMITTEE CHANGES | CONFERENCE COMMITTEE VERSION | SENATE <br> VERSION | CONFERENCE COMPARISON TO SENATE VERSION |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Administration | \$26,902,044 | \$25,797,360 | \$160.000 | \$25,957,360 | \$25,957.360 |  |
| Motor vehicle | 10,646,562 | 7.413 .072 | 500.000 | 7,913.072 | 9,713.072 | (\$1,800,000) |
| Driver's license | 9,352,175 | 9,281,759 | 167,100 | 9,448.859 | 9,448.859 |  |
| Highways | 553,629,335 | 553,523,851 | $(5,396,886)$ | 548,126,965 | 548,126,965 |  |
| Fleel services | 34,708,905 | 34,677,551 | $(926,200)$ | 33,751,351 | 33,751,351 |  |
| Total all funds | \$635,239,021 | \$630,693,593 | $(\$ 5,495,986)$ | \$625,197,607 | \$626,997,607 | (\$1,800,000) |
| Less special funds | 635,239,021 | 630,693,593 | $(5,495,986)$ | $\underline{625,197,607}$ | 626,997,607 | $(1,800,000)$ |
| Genoral fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTF | 1,042.00 | 1,040.00 | 0.00 | 1,040.00 | 1,040.00 | 0.00 |

Detall of Conference Committee changes to the House version includes:

|  | RESTORE INFORMATION TECHNOLOGY FUNDING | RESTORE TEMPORARY SALARIES AND REPAIRS | RESTORE TEMPORARY SALARIES | RESTORE REPAIRS AND EQUIPMENT | REDUCE INSURANCE AND EQUIPMENT LEASE/RENTALS | REDUCE HIGHWAY CONSTRUCTION FUNDING |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Administration | \$160,000 ${ }^{1}$ |  |  |  |  |  |
| Motor vehicle |  | \$100,000 2 |  |  |  |  |
| Driver's license |  |  | \$30,000 3 | \$450,000 4 |  | $(\$ 7,194,886)^{6}$ |
| Higliways <br> Fleol services |  |  |  | \$450,000 | $(\$ 926,200)^{5}$ | (\$7,194,886) |
| Total all funds | \$160,000 | \$100,000 | \$30,000 | \$450,000 | $(\$ 926,200)$ | (\$7,194,886) |
| Less special funds | 160,000 | 100,000 | 30,000 | 450,000 | $(926,200)$ | $\underline{(7,194,886)}$ |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
|  | $\begin{gathered} \text { ADD } \\ \text { PUBLIC } \\ \text { TRANSPORTATION } \\ \text { GRANTS } \end{gathered}$ | ADD <br> FUNDING RELATED TO HB 1291 | $\begin{gathered} \text { ADD } \\ \text { FUNDING } \\ \text { RELATED TO } \\ \text { SB } 2406 \end{gathered}$ | ADD <br> FUNDING FOR NEW LICENSE PLATE ISSUE | TOTAL CONFERENCE COMMITTEE CHANGES |  |
| Adrunistration |  |  |  | \$400,000 10 | \$160,000 |  |
| Moth vehicle |  |  |  | \$400,000 | +167,100 |  |
| Driven's license Highways | \$1,348,000 7 | \$110,000 8 | \$27,100 9 |  | $(5,396,886)$ |  |
| Fleat services | \$1,348,000 | - |  |  | (926,200) |  |
| Total all funds | \$1,348,000 | \$110,000 | \$27,100 | \$400,000 | $(\$ 5,495,986)$ |  |
| Les: special funds | 1,348,000 | 110,000 | 27,100 | 400,000 | (5,495,986) |  |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 |  |
| FII | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |

Conlerence Committee changes narrative:

1. Restores $\$ 160,000$ of the $\$ 330,000$ highway fund reduction made by the House to information lechnology hardware funding in the administration program, the same as the Senate version.

2 Restores $\$ 50,000$ removed by the House for temporary salaries and $\$ 50,000$ removed by the House lor repairs in the motor vehicle program, the same as the Senate version.
${ }^{3}$ Restores $\$ 30,000$ of funding from the highway fund removed by the House for temporary salaries in the driver's license program, the same as the Senate version.

4 Restores $\$ 200,000$ of funding from the highway fund removed by the House for repairs and $\$ 250,000$ of funding from the highway fund removed by the House for office equipment and furniture in the nighways program, the same as the Senate version.

5 Reduces funding for lease/rental equipment by $\$ 126,200$ and insurance by $\$ 800,000$ from the Fleet Services fund in the Fleet Services program, the same as the Senate version.
${ }^{6}$ Reduces funding for highway construction added by the House from budget reductions made in other areas of the department's budget, the same as the Senate version. The department does not need this additional appropriation authority to match anticipated federal highway construction funds for the 1999-2001 biennium.

7 Adds funding from the public transportation fund for grants to public transportation providers as a result of the additional funding generated pursuant to provisions of House Bill No. 1380, the same as the Senate version.
${ }^{8}$ Adds funding as follows in the driver's license program for costs associated with the provisions of House Bill No. 1291 (graduated driver's license). The Senate also made this change.

| Temporary salaries | $\$ 50,000$ |
| :--- | ---: |
| Operating expenses | $\underline{60,000}$ |
| Total | $\$ 110,000$ |

9 Adds funding in the driver's license program for operating costs associated with the provisions of Senate Bill No. 2406 (proof of liability insurance), the same as the Senate version.
${ }^{10}$ Adds $\$ 400,000$ in the Motor Vehicle Division for the department to begin issuing a distinctive Lewis and Clark plate in December 1999 that an individual may choose to purchase for an additional fee of $\$ 10$ per registration period. The general issuance of the Lewis and Clark plate will begin after June 30, 2001. The $\$ 10$ fee for the period December 1999 through June 2001 is estimated to generate $\$ 200,000$ of revenue to the highway fund. The House had not included funding for a new license plate issue and the Senate had provided for a voluntary Lewis and Clark license plate issue beginning in December 1999 with a $\$ 10$ fee and the general issue to begin in December 2000. The cost of the Senate version was $\$ 2.2$ million.

A section is added providing for an interim Legislative Council study of the Fleet Services program, the same as in the Senate version.

A section is added authorizing the department to charge an additional $\$ 10$ fee if an individual requests a specific number plate, the same as the Senate version.

Sections are added providing that license plates must be mounted in a manner that does not cover any part of the plate, that the license plate tabs be placed only in the designated area on the plate, and that the department may issue smaller plates for trailers, if requested. The Senate also made these changes.

That the Senate recede from its amendments as printed on pages 1193-1196 of the House Journal and pages 1064-1067 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 2, after "transportation" insert "; to provide an appropriation to the department of corrections and rehabilitation; to provide for a legislative council study; to create and enact a new section to chapter 39-04 of the North Dakota Century Code, relating to commemorative Lewis and Clark number plates; and to amend and reenact sections 39-04-08.1, 39-04-11, and subsection 4 of section 39-04-19 of the North Dakota Century Code, relating to the display of and fees for number plates and tabs"

Page 1, line 9, replace " $25,797,360$ " with " $25,857,360$ "
Page 1, line 10, replace " $7,413,072$ " with " $7,613,072$ "
Page 1, line 11, replace " $9,281,759$ " with " $9,438,859$ "
Page 1, line 12, replace " $553,523,851$ " with " $548,726,965$ "
Page 1, line 13, replace " $34,677,551$ " with " $33,751,351$ "
Page 1, line 14, replace "630,693,593" with "625,387,607"
Page 1, after line 20, insert:
"SECTION 3. APPROPRIATION - ROUGHRIDER INDUSTRIES. There is hereby appropriated from special funds, derived from income, the sum of $\$ 75,000$, or so much of the sum as may be necessary, to the department of corrections and rehabilitation for the purpose of defraying the expenses associated with the production of a Lewis and Clark commemorative license plate for the biennium beginning July 1 , 1999, and ending June 30, 2001.

SECTION 4. LEGISLATIVE COUNCIL STUDY - FLEET SERVICES. The legislative council shall consider studying, during the 1999-2000 interim, the fleet services program of the department of transportation. The study should include a review, the cost-effectiveness of the program, and the methods used to project and set motor pool rates.

SECTION 5. LEGISLATIVE COUNCIL STUDY OF USED MOTOR VEHICLE DEALERS. During the 1999-2000 interim, the legislative council shall consider studying the licensing of used motor vehicle dealers, including fees, dealer plates, and insurance coverage. If the study is conducted, the legislative council shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the fifty-seventh legislative assembly.

SECTION 6. A new section to chapter 39-04 of the North Dakota Century Code is created and enacted as follows:

Commemorative Lewis and Clark number plates. The director shall design and issue a distinctive number plate commemorating Lewis and Clark. The director shall issue this plate upon application and payment of an additional fee of ten dollars. All additional fees collected under this section must be deposited in the highway fund.

SECTION 7. AMENDMENT. Section 39-04-08.1 of the North Dakota Century Code is amended and reenacted as follows:

39-04-08.1. Assignment of motor vehicle number plates. Motor vehicle number plates may not be assigned as a reward for any political activity, in recognition of any political affiliation or membership in any political party, or on the basis of political favoritism. However, an elected state office may be assigned a single or double digit number on a number plate as requested by that official. Except as provided in sections 39-04-10 and 39-04-10.3, the department shall charge a nonrefundable fee of ten dollars if an applicant chooses a number plate other than the number plate randomly assigned. The department of transportation shatl may adopt rules governing the assignment of numbers on motor vehicle number plates in accordance with this section.

SECTION 8. AMENDMENT. Section 39-04-11 of the North Dakota Century Code is amended and reenacted as follows:

39-04-11. Display of number plates and tabs. Except as otherwise specifically provided, a person may not operate or drive a vehicle on the public highways of this state unless the vehicle has a distinctive number assigned to it by the department, and two number plates, bearing the distinctive number conspicuously displayed, horizontally and in an upright position, one on the front and one on the rear of the vehicle, each securely fastened, except number plates assigned to a motorcycle, trailer, or housetrailer must be attached to the rear thereof. When only one number plate is furnished for an apportioned vehicle licensed under the international registration plan as authorized in section 39-19-04, truck tractor, or semitrailer, the plate must be attached to the front of the apportioned vehicle or truck tractor and the rear of the semitrailer. The bottom of each number plate must be at a height of not less than twelve inches [ 30.48 centimeters] above the level surface upon which the vehicle stands. Each plate must be mounted in a manner that does not cover any words, letter, or number on the plate. As far as is reasonably possible, the plates must at all times be kept free and clear of mud, ice, or snow so as to be clearly visible and all number plates, markers, or evidence of registration or licensing except for the current year must be removed from the vehicle. All vehicle license plates issued by the department continue to be the property of the state of North Dakota for the period for which the plates are valid. An annual registration tab or sticker for the current registration year must be displayed on each number plate, in the area designated by the department for the tab or sticker, in those years for which tabs or stickers are issued in lieu of number plates.

SECTION 9. AMENDMENT. Subsection 4 of section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate."

Renumber accordingly
STATEMENT OF PURPOSE OF AMENDMENT:

CONFERENCE COMMITTEE - A section is added appropriating $\$ 75,000$ of special funds to Roughrider Industries for producing Lewis and Clark license plates. The House did not include any funding and the Senate version had included $\$ 1.7$ million for producing the plates because under the Senate version a general license plate issue would have begun in December 2000.

## DEPARTMENT 801 - DEPARTMENT OF TRANSPORTATION

CONFERENCE COMMITTEE - This amendment makes the following changes:

|  | EXECUTIVE BUDGET | HOUSE VERSION | CONFERENCE COMMITTEE CHANGES | CONFERENCE COMMITTEE VERSION | SENATE VERSION | CONFERENCE COMPARISON TO SENATE VERSION |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Administration | \$26,902,044 | \$25,797,360 | \$60,000 | \$25,857,360 | \$25,957,360 | $(\$ 100,000)$ |
| Motor vehicle | 10,646,562 | 7,413,072 | 200,000 | 7,613,072 | 9,713,072 | $(2,100,000)$ |
| Driver's license | 9,352,175 | 9,281,759 | 157,100 | 9,438,859 | 9,448,859 | $(10,000)$ |
| Highways | 553,629,335 | 553,523,851 | $(4,796,886)$ | 548,726,965 | 548,126,965 | 600,000 |
| Fleet services | 34,708,905 | 34,677,551 | $(926,200)$ | 33,751,351 | 33,751,351 |  |
| Total all funds | \$635,239,021 | \$630,693,593 | (\$5,305,986) | \$625,387,607 | \$626,997,607 | (\$1,610,000) |
| Less special funds | 635,239,021 | 630,693,593 | $(5,305,986)$ | 625,387,607 | 626,997,607 | (1,610,000) |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 1,042.00 | 1,040.00 | 0.00 | 1,040.00 | 1,040.00 | 0.00 |

Detail of Conference Committee changes to the House version includes:

|  | RESTORE INFORMATION TECHNOLOGY FUNDING | RESTORE TEMPORARY SALARIES AND REPAIRS | RESTORE TEMPORARY SALARIES | RESTORE REPAIRS AND EQUIPMENT | REDUCE <br> INSURANCE AND EQUIPMENT LEASE/RENTALS | REDUCE HIGHWAY CONSTRUCTION FUNDING |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Administration | \$160,000 1 |  |  |  |  |  |
| Motor vehicle |  | \$100,000 2 |  |  |  |  |
| Driver's license |  |  | \$30,000 3 |  |  |  |
| Highways |  |  |  | \$450,000 4 |  | $(\$ 7,194,886) 6$ |
| Fleet services |  |  |  |  | $(\$ 926,200)^{5}$ |  |
| Total all funds | \$160,000 | \$100,000 | \$30,000 | \$450,000 | $(\$ 926,200)$ | (\$7,194,886) |
| Less special funds | 160,000 | 100,000 | 30,000 | 450,000 | $(926,200)$ | (7,194,886) |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
|  | $\begin{gathered} \text { ADD } \\ \text { PUBLIC } \\ \text { TRANSPORTATION } \\ \text { GRANTS } \end{gathered}$ | ADD FUNDING RELATED TO OTHER BILLS | ADD FUNDING FROM SPECIAL ROAD FUND | ADD <br> FUNDING FOR <br> VOLUNTARY <br> LICENSE PLATE | REDUCE <br> FUNDING FOR ADMINISTRATION | TOTAL CONFERENCE COMMITTEE CHANGES |
| Administration |  |  |  |  | $(\$ 100,000){ }^{11}$ | \$60,000 |
| Motor vehicle |  |  |  | \$100,000 10 |  | 200,000 |
| Driver's license |  | \$127,100 8 |  |  |  | 157,100 |
| Highways | \$1,348,000 7 |  | \$600,000 9 |  |  | $(4,796,886)$ |
|  | $\qquad$ |  |  | - | - | (926,200) |
| Total all funds | \$1,348,000 | \$127,100 | \$600,000 | \$100,000 | (\$100,000) | (\$5,305,986) |
| Less special funds | 1,348,000 | 127,100 | 600,000 | 100,000 | (100,000) | (5,305,986) |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Conference Committee changes narrative:
1 Restores $\$ 160,000$ of the $\$ 330,000$ highway fund reduction made by the House to information technology hardware funding in the administration program, the same as the Senate version.
${ }^{2}$ Restores $\$ 50,000$ removed by the House for temporary salaries and $\$ 50,000$ removed by the House for repairs in the motor vehicle program, the same as the Senate version.
${ }^{3}$ Restores $\$ 30,000$ of funding from the highway fund removed by the House for temporary salaries in the driver's license program, the same as the Senate version.

4 Restores $\$ 200,000$ of funding from the highway fund removed by the House for repairs and $\$ 250,000$ of funding from the highway fund removed by the House for office equipment and furniture in the highways program, the same as the Senate version.

5 Reduces funding for lease/rental equipment by $\$ 126,200$ and insurance by $\$ 800,000$ from the Fleet Services fund in the Fleet Services program, the same as the Senate version.

6 Reduces funding for highway construction added by the House from budget reductions made in other areas of the department's budget, the same as the Senate version. The department does not need this additional appropriation authority to match anticipated federal highway construction funds for the 1999-2001 biennium.

7 Adds funding from the public transportation fund for grants to public transportation providers as a result of the additional funding generated pursuant to provisions of House Bill No. 1380, the same as the Senate version.

8 Adds funding as follows in the driver's license program for costs associated with the provisions of House Bill No. 1291 (graduated driver's license). The Senate provided $\$ 110,000$ of additional funding relating to this bill.

| Temporary salaries | $\$ 50,000$ |
| :--- | ---: |
| Operating expenses | $\underline{00,000}$ |
| Total | $\$ 100,000$ |

Also adds $\$ 27,100$ of funding in the driver's license program for operating costs associated with the provisions of Senate Bill No. 2406 (proof of liability insurance), the same as the Senate version.

9 Adds $\$ 600,000$ of funding from the special road fund in the highways program for projects approved by the Special Road Committee (SB 2267).
${ }^{10}$ Adds $\$ 100,000$ in the Motor Vehicle Division for the department to issue a distinctive Lewis and Clark plate that an individual may choose to purchase for an additional fee of $\$ 10$. Funding is not included for a general license plate issue. The $\$ 10$ fee is estimated to generate $\$ 200,000$ of revenue to the highway fund for the 1999-2001 biennium. The House had not included funding for a new license plate issue and the Senate had provided for a voluntary Lewis and Clark license plate issue beginning in December 1999 with a $\$ 10$ fee and a general license plate issue to begin in December 2000. The cost of the Senate version was $\$ 2.2$ million.
${ }^{11}$ Reduces funding from the highway fund in the administration program as follows:

$$
\begin{array}{lr}
\text { Professional services } & (\$ 50,000) \\
\text { Printing } & (50,000)
\end{array}
$$

Total
$(\$ 100,000)$
A section is added providing for an interim Legislative Council study of the Fleet Services program, the same as the Senate version.

A section is added providing for an interim Legislative Council study of used car dealers.
A section is added authorizing the department to charge an additional $\$ 10$ fee if an individual requests a specific number plate, the same as the Senate version.

Sections are added providing that license plates must be mounted in a manner that does not cover any part of the plate, that the license plate tabs be placed only in the designated area on the plate, and that the department may issue smaller plates for trailers, if requested. The Senate also made these changes.

Date:

## 1999 CONFERENCE COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 1012

House Appropriations

口Subcommittee on
or
】 Conference Committee
Legislative Council Amendment Number
Action Taken Accept Sen. Am. Except for license plates + \$/10,000

Motion Made By


Culleson

| Representatives | Yes | No | Senators | Yes | No |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Bul | $x$ |  | Nething | $x$ |  |
| Pool | $x$ |  | Kringstad | $x$ |  |
| Gull | $x$ |  | Robinson | $x$ |  |
|  |  |  |  |  |  |

Reps.
(Yes)
3 No $\qquad$
Sen. $\square$ (No)

Floor Assignment
If the vote is on an amendment, briefly indicate intent:

Date: $4-10-99$ Roll Call Vote \#:

## 1999 CONFERENCE COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO.

House Appropriations

口
Subcommittee on
or

$\square$
Conference Committee
Legislative Council Amendment Number
Action Taken Commemorative plate
Motion Made By


Seconded By


| Representatives | Yes | No | Senators | Yes | No |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Byerly | $X$ |  | Nething |  | $X$ |
| Dolman | $X$ |  | Kringstad |  | $X$ |
| Gullesen | $X$ |  | Robinson |  | $X$ |
|  |  |  |  |  |  |


| Reps. | (Yes) | No |
| :--- | :--- | :--- |
| Sen. | (Yes) | (No) 3 3 |

Floor Assignment
If the vote is on an amendment, briefly indicate intent:


## REPORT OF CONFERENCE COMMITTEE

 (ACCEDE/RECEDE) - 420(Bill Number) $\square$
$\qquad$ (, as (re)engrossed):

Your Conference Committee

 $\Delta$ and place 1012 on the Seventh order.
$\square$. adopt (further) amendments as follows, and place
on the Seventh order:

D having been unable to agree, recommends that the committee be discharged and a new committee be appointed. 690/515
((Re)Engrossed) $\qquad$ was placed on the Seventh order of business on the calendar.

DATE: $\qquad$ I

CARRIER:
LC NO. $\qquad$ . $\qquad$ of amendment

LC NO. $\qquad$ . $\qquad$ of engrossment

Emergency clause added or deleted $\qquad$
Statement of purpose of amendment $\qquad$
(1) LC
(2) LC
(3) DESK
(4) COMM.

## REPORT OF CONFERENCE COMMITTEE

HB 1012, as engrossed: Your conference committee (Sens. Nething, Kringstad, Robinson and Reps. Byerly, Poolman, Gulleson) recommends that the SENATE RECEDE from the Senate amendments on HJ pages 1064-1067, adopt amendments as follows, and place HB 1012 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1193-1196 of the House Journal and pages 1064-1067 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 2, after "transportation" insert "; to provide an appropriation to the department of corrections and rehabilitation; to provide for a legislative council study; to create and enact a new section to chapter 39-04 of the North Dakota Century Code, relating to commemorative Lewis and Clark number plates; and to amend and reenact sections 39-04-08.1, 39-04-11, and subsection 4 of section 39-04-19 of the North Dakota Century Code, relating to the display of and fees for number plates and tabs"

Page 1, line 9, replace "25,797,360" with "25,957,360"
Page 1, line 10, replace " $7,413,072$ " with " $7,913,072$ "
Page 1, line 11, replace " $9,281,759$ " with " $9,448,859$ "
Page 1, line 12, replace "553,523,851" with "548,126,965"
Page 1, line 13, replace " $34,677,551$ " with " $33,751,351$ "
Page 1, line 14, replace "630,693,593" with "625,197,607"
Page 1, after line 20, insert:
"SECTION 3. APPROPRIATION - ROUGHRIDER INDUSTRIES. There is hereby appropriated from special funds, derived from income, the sum of $\$ 300,000$, or so much of the sum as may be necessary, to the department of corrections and rehabilitation for the purpose of defraying the expenses associated with the production of a Lewis and Clark commemorative license plate for the biennium beginning July 1 , 1999, and ending June 30, 2001.

SECTION 4. LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying, during the 1999-2000 interim, the fleet services program of the department of transportation. The study should include a review, the cost-effectiveness of the program, and the methods used to project and set motor pool rates.

SECTION 5. A new section to chapter 39-04 of the North Dakota Century Code is created and enacted as follows:

Commemorative Lewis and Clark number plates. The director shall design and issue a distinctive number plate commemorating Lewis and Clark. An applicant is entitled to receive this plate upon payment of an additional fee of ten dollars per registration period between December 1, 1999, and June 30, 2001. All additional fees collected under this section must be deposited in the highway fund for the purpose of funding the general issuance of the commemorative Lewis and Clark plate after June 30, 2001.

SECTION 6. AMENDMENT. Section 39-04-08.1 of the North Dakota Century Code is amended and reenacted as follows:

39-04-08.1. Assignment of motor vehicle number plates. Motor vehicle number plates may not be assigned as a reward for any political activity, in recognition of any political affiliation or membership in any political party, or on the basis of political favoritism. However, an elected state office may be assigned a single or double digit number on a number plate as requested by that official. Except as provided in sections 39-04-10 and 39-04-10.3, the department shall charge a nonrefundable fee of ten dollars if an applicant chooses a number plate other than the number plate randomly assigned. The department of transportation shat may adopt rules governing the assignment of numbers on motor vehicle number plates in accordance with this section.

SECTION 7. AMENDMENT. Section 39-04-11 of the North Dakota Century Code is amended and reenacted as follows:

39-04-11. Display of number plates and tabs. Except as otherwise specifically provided, a person may not operate or drive a vehicle on the public highways of this state unless the vehicle has a distinctive number assigned to it by the department, and two number plates, bearing the distinctive number conspicuously displayed, horizontally and in an upright position, one on the front and one on the rear of the vehicle, each securely fastened, except number plates assigned to a motorcycle, trailer, or housetrailer must be attached to the rear thereof. When only one number plate is furnished for an apportioned vehicle licensed under the international registration plan as authorized in section 39-19-04, truck tractor, or semitrailer, the plate must be attached to the front of the apportioned vehicle or truck tractor and the rear of the semitrailer. The bottom of each number plate must be at a height of not less than twelve inches [ 30.48 centimeters] above the level surface upon which the vehicle stands. Each plate must be mounted in a manner that does not cover any words, letter, or number on the plate. As far as is reasonably possible, the plates must at all times be kept free and clear of mud, ice, or snow so as to be clearly visible and all number plates, markers, or evidence of registration or licensing except for the current year must be removed from the vehicle. All vehicle license plates issued by the department continue to be the property of the state of North Dakota for the period for which the plates are valid. An annual registration tab or sticker for the current registration year must be displayed on each number plate, in the area designated by the department for the tab or sticker, in those years for which tabs or stickers are issued in lieu of number plates.

SECTION 8. AMENDMENT. Subsection 4 of section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate."

Renumber accordingly

## STATEMENT OF PURPOSE OF AMENDMENT:

CONFERENCE COMMITTEE - A section is added appropriating $\$ 300,000$ of special funds to Roughrider Industries for producing Lewis and Clark license plates. The House did not include any funding and the Senate version had included $\$ 1.7$ million for producing the plates because under the Senate version the general issuance of the plates would have begun in December 2000 rather than July 2001.

## DEPARTMENT 801 - DEPARTMENT OF TRANSPORTATION

CONFERENCE COMMITTEE - This amendment makes the following changes:

|  | EXECUTIVE BUDGET | HOUSE VERSION | CONFERENCE COMMITTEE CHANGES | CONFERENCE COMMITTEE VERSION | SENATE VERSION | CONFERENCE COMPARISON TO SENATE VERSION |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Administration | \$26,902,044 | \$25,797,360 | \$160,000 | \$25,957,360 | \$25,957,360 |  |
| Motor vehicle | 10,646,562 | 7,413,072 | 500,000 | 7,913,072 | 9,713,072 | (\$1,800,000) |
| Driver's license | 9,352,175 | 9,281,759 | 167,100 | 9,448,859 | 9,448,859 |  |
| Highways | 553,629,335 | 553,523,851 | $(5,396,886)$ | 548,126,965 | 548,126,965 |  |
| Fleet services | 34,708,905 | 34,677,551 | $(926,200)$ | 33,751,351 | 33,751,351 |  |
| Total all funds | \$635,239,021 | \$630,693,593 | (\$5,495,986) | \$625,197,607 | \$626,997,607 | (\$1,800,000) |
| Less special funds | 635,239,021 | 630,693,593 | (5,495,986) | 625,197,607 | 626,997,607 | (1,800,000) |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 1,042.00 | 1,040.00 | 0.00 | 1,040.00 | 1,040.00 | 0.00 |

Detail of Conference Committee changes to the House version includes:

|  | RESTORE INFORMATION TECHNOLOGY FUNDING | RESTORE TEMPORARY SALARIES AND REPAIRS | RESTORE TEMPORARY SALARIES | RESTORE REPAIRS AND EQUIPMENT | REDUCE <br> INSURANCE AND EQUIPMENT LEASE/RENTALS | REDUCE HIGHWAY CONSTRUCTION FUNDING |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Administration | \$160,000 1 |  |  |  |  |  |
| Motor vehicle |  | \$100,000 2 |  |  |  |  |
| Driver's license |  |  | \$30,000 3 |  |  |  |
| Highways |  |  |  | \$450,000 4 |  | $(\$ 7,194,886){ }^{6}$ |
|  |  |  |  |  | $(\$ 926,200){ }^{5}$ |  |
| Total all funds | \$160,000 | \$100,000 | \$30,000 | \$450,000 | $(\$ 926,200)$ | (\$7,194,886) |
| Less special funds | 160,000 | 100,000 | 30,000 | 450,000 | $(926,200)$ | $(7,194,886)$ |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
|  | $\begin{gathered} \text { ADD } \\ \text { PUBLIC } \\ \text { TRANSPORTATION } \\ \text { GRANTS } \end{gathered}$ | ADD FUNDING RELATED TO HB 1291 | ADD FUNDING RELATED TO SB 2406 | ADD <br> FUNDING FOR NEW LICENSE PLATE ISSUE | TOTAL CONFERENCE COMMITTEE CHANGES |  |
| Administration |  |  |  |  | \$160,000 |  |
| Motor vehicle |  |  |  | \$400,000 10 | 500,000 |  |
| Driver's license |  | \$110,000 8 | \$27,100 9 |  | 167,100 |  |
| Highways | \$1,348,000 7 |  |  |  | (5,396,886) |  |
| Fleet services |  |  |  | - | (926,200) |  |
| Total all funds | \$1,348,000 | \$110,000 | \$27,100 | \$400,000 | (\$5,495,986) |  |
| Less special funds | 1,348,000 | 110,000 | 27,100 | 400,000 | $(5,495,986)$ |  |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 |  |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |  |

Conference Committee changes narrative:
1 Restores $\$ 160,000$ of the $\$ 330,000$ highway fund reduction made by the House to information technology hardware funding in the administration program, the same as the Senate version.

2 Restores $\$ 50,000$ removed by the House for temporary salaries and $\$ 50,000$ removed by the House for repairs in the motor vehicle program, the same as the Senate version.
${ }^{3}$ Restores $\$ 30,000$ of funding from the highway fund removed by the House for temporary salaries in the driver's license program, the same as the Senate version.

4 Restores $\$ 200,000$ of funding from the highway fund removed by the House for repairs and $\$ 250,000$ of funding from the highway fund removed by the House for office equipment and furniture in the highways program, the same as the Senate version.

5 Reduces funding for lease/rental equipment by $\$ 126,200$ and insurance by $\$ 800,000$ from the Fleet Services fund in the Fleet Services program, the same as the Senate version.

6 Reduces funding for highway construction added by the House from budget reductions made in other areas of the department's budget, the same as the Senate version. The department does not need this additional appropriation authority to match anticipated federal highway construction funds for the 1999-2001 biennium.

7 Adds funding from the public transportation fund for grants to public transportation providers as a result of the additional funding generated pursuant to provisions of House Bill No. 1380, the same as the Senate version.

8 Adds funding as follows in the driver's license program for costs associated with the provisions of House Bill No. 1291 (graduated driver's license). The Senate also made this change.

| Temporary salaries | $\$ 50,000$ |
| :--- | ---: |
| Operating expenses | $\underline{60,000}$ |
| Total | $\$ 110,000$ |

9 Adds funding in the driver's license program for operating costs associated with the provisions of Senate Bill No. 2406 (proof of liability insurance), the same as the Senate version.
${ }^{10}$ Adds $\$ 400,000$ in the Motor Vehicle Division for the department to begin issuing a distinctive Lewis and Clark plate in December 1999 that an individual may choose to purchase for an additional fee of $\$ 10$ per registration period. The general issuance of the Lewis and Clark plate will begin after June 30, 2001. The $\$ 10$ fee for the period December 1999 through June 2001 is estimated to generate $\$ 200,000$ of revenue to the highway fund. The House had not included funding for a new license plate issue and the Senate had provided for a voluntary Lewis and Clark license plate issue beginning in December 1999 with a $\$ 10$ fee and the general issue to begin in December 2000. The cost of the Senate version was $\$ 2.2$ million.

A section is added providing for an interim Legislative Council study of the Fleet Services program, the same as in the Senate version.

A section is added authorizing the department to charge an additional $\$ 10$ fee if an individual requests a specific number plate, the same as the Senate version.

Sections are added providing that license plates must be mounted in a manner that does not cover any part of the plate, that the license plate tabs be placed only in the designated area on the plate, and that the department may issue smaller plates for trailers, if requested. The Senate also made these changes.

Engrossed HB 1012 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE
(Bill Number) $\qquad$ (. as (re )engrossed):

## Your Conference Committee


$\square$. adopt (further) amendments as follows, and place
$\qquad$ on the Seventh order:
$\square$ having been unable to agree, recommends that the committee be discharged and a new committee be appointed. ((R e)Engrossed) 1012 was placed on the Seventh order of business on the calendar.

(1) LC (2) LC (3) DESK (4) COMM.

## REPORT OF CONFERENCE COMMITTEE

HB 1012, as engrossed: Your conference committee (Sens. Kringstad, B. Stenehjem, Robinson and Reps. Byerly, Poolman, Gulleson) recommends that the SENATE RECEDE from the Senate amendments on HJ pages 1193-1196, adopt amendments as follows, and place HB 1012 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1193-1196 of the House Journal and pages 1064-1067 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 2, after "transportation" insert "; to provide an appropriation to the department of corrections and rehabilitation; to provide for a legislative council study; to create and enact a new section to chapter 39-04 of the North Dakota Century Code, relating to commemorative Lewis and Clark number plates; and to amend and reenact sections 39-04-08.1, 39-04-11, and subsection 4 of section 39-04-19 of the North Dakota Century Code, relating to the display of and fees for number plates and tabs"

Page 1, line 9, replace " $25,797,360$ " with " $25,857,360$ "
Page 1, line 10, replace " $7,413,072$ " with " $7,613,072$ "
Page 1, line 11, replace " $9,281,759$ " with " $9,438,859$ "
Page 1, line 12, replace " $553,523,851$ " with " $548,726,965$ "
Page 1, line 13, replace " $34,677,551$ " with " $33,751,351$ "
Page 1, line 14, replace "630,693,593" with "625,387,607"
Page 1, after line 20, insert:
"SECTION 3. APPROPRIATION - ROUGHRIDER INDUSTRIES. There is hereby appropriated from special funds, derived from income, the sum of $\$ 75,000$, or so much of the sum as may be necessary, to the department of corrections and rehabilitation for the purpose of defraying the expenses associated with the production of a Lewis and Clark commemorative license plate for the biennium beginning July 1 , 1999, and ending June 30, 2001.

SECTION 4. LEGISLATIVE COUNCIL STUDY - FLEET SERVICES. The legislative council shall consider studying, during the 1999-2000 interim, the fleet services program of the department of transportation. The study should include a review, the cost-effectiveness of the program, and the methods used to project and set motor pool rates.

SECTION 5. LEGISLATIVE COUNCIL STUDY OF USED MOTOR VEHICLE DEALERS. During the 1999-2000 interim, the legislative council shall consider studying the licensing of used motor vehicle dealers, including fees, dealer plates, and insurance coverage. If the study is conducted, the legislative council shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the fifty-seventh legislative assembly.

SECTION 6. A new section to chapter 39-04 of the North Dakota Century Code is created and enacted as follows:

Commemorative Lewis and Clark number plates. The director shall design and issue a distinctive number plate commemorating Lewis and Clark. The director
shall issue this plate upon application and payment of an additional fee of ten dollars. All additional fees collected under this section must be deposited in the highway fund.

SECTION 7. AMENDMENT. Section 39-04-08.1 of the North Dakota Century Code is amended and reenacted as follows:

39-04-08.1. Assignment of motor vehicle number plates. Motor vehicle number plates may not be assigned as a reward for any political activity, in recognition of any political affiliation or membership in any political party, or on the basis of political favoritism. However, an elected state office may be assigned a single or double digit number on a number plate as requested by that official. Except as provided in sections 39-04-10 and 39-04-10.3, the department shall charge a nonrefundable fee of ten dollars if an applicant chooses a number plate other than the number plate randomly assigned. The department of transportation shay madopt rules governing the assignment of numbers on motor vehicle number plates in accordance with this section.

SECTION 8. AMENDMENT. Section 39-04-11 of the North Dakota Century Code is amended and reenacted as follows:

39-04-11. Display of number plates and tabs. Except as otherwise specifically provided, a person may not operate or drive a vehicle on the public highways of this state unless the vehicle has a distinctive number assigned to it by the department, and two number plates, bearing the distinctive number conspicuously displayed, horizontally and in an upright position, one on the front and one on the rear of the vehicle, each securely fastened, except number plates assigned to a motorcycle, trailer, or housetrailer must be attached to the rear thereof. When only one number plate is furnished for an apportioned vehicle licensed under the international registration plan as authorized in section 39-19-04, truck tractor, or semitrailer, the plate must be attached to the front of the apportioned vehicle or truck tractor and the rear of the semitrailer. The bottom of each number plate must be at a height of not less than twelve inches [ 30.48 centimeters] above the level surface upon which the vehicle stands. Each plate must be mounted in a manner that does not cover any words, letter, or number on the plate. As far as is reasonably possible, the plates must at all times be kept free and clear of mud, ice, or snow so as to be clearly visible and all number plates, markers, or evidence of registration or licensing except for the current year must be removed from the vehicle. All vehicle license plates issued by the department continue to be the property of the state of North Dakota for the period for which the plates are valid. An annual registration tab or sticker for the current registration year must be displayed on each number plate, in the area designated by the department for the tab or sticker, in those years for which tabs or stickers are issued in lieu of number plates.

SECTION 9. AMENDMENT. Subsection 4 of section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate."

REPORT OF CONFERENCE COMMITTEE (420)

Renumber accordingly

## STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 530 - DEPARTMENT OF CORRECTIONS AND REHABILITATION
CONFERENCE COMMITTEE - A section is added appropriating \$75,000 of special funds to Roughrider Industries for producing Lewis and Clark license plates. The House did not include any funding and the Senate version had included $\$ 1.7$ million for producing the plates because under the Senate version a general license plate issue would have begun in December 2000.

DEPARTMENT 801 - DEPARTMENT OF TRANSPORTATION
CONFERENCE COMMITTEE - This amendment makes the following changes:

|  | EXECUTIVE BUDGET | HOUSE <br> VERSION | CONFERENCE COMMITTEE CHANGES | CONFERENCE COMMITTEE VERSION | SENATE VERSION | CONFERENCE COMPARISON TO SENATE VERSION |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Administration | \$26,902,044 | \$25,797,360 | \$60,000 | \$25,857,360 | \$25,957,360 | $(\$ 100,000)$ |
| Motor vehicle | 10,646,562 | 7,413,072 | 200,000 | 7,613,072 | 9,713,072 | $(2,100,000)$ |
| Driver's license | 9,352,175 | 9,281,759 | 157,100 | 9,438,859 | 9,448,859 | $(10,000)$ |
| Highways | 553,629,335 | 553,523,851 | $(4,796,886)$ | 548,726,965 | 548,126,965 | 600,000 |
| Fleet services | 34,708,905 | 34,677,551 | (926,200) | 33,751,351 | 33,751,351 |  |
| Total all funds | \$635,239,021 | \$630,693,593 | (\$5,305,986) | \$625,387,607 | \$626,997,607 | (\$1,610,000) |
| Less special funds | 635,239,021 | 630,693,593 | (5,305,986) | 625,387,607 | 626,997,607 | (1,610,000) |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 1,042.00 | 1,040.00 | 0.00 | 1,040.00 | 1,040.00 | 0.00 |

Detail of Conference Committee changes to the House version includes:

|  | RESTORE INFORMATION TECHNOLOGY FUNDING | RESTORE TEMPORARY SALARIES AND REPAIRS | RESTORE TEMPORARY SALARIES | RESTORE REPAIRS AND EQUIPMENT | REDUCE <br> INSURANCE AND EQUIPMENT LEASE/RENTALS | REDUCE HIGHWAY CONSTRUCTION FUNDING |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Administration | \$160,000 1 |  |  |  |  |  |
| Motor vehicle |  | \$100,000 2 |  |  |  |  |
| Driver's license |  |  | \$30,000 3 |  |  |  |
| Highways |  |  |  | \$450,000 4 |  | $(\$ 7,194,886) 6$ |
| Fleet services |  |  |  |  | $(\$ 926,200){ }^{5}$ |  |
| Total all funds | \$160,000 | \$100,000 | \$30,000 | \$450,000 | $(\$ 926,200)$ | $(\$ 7,194,886)$ |
| Less special funds | 160,000 | 100,000 | 30,000 | 450,000 | $(926,200)$ | $(7,194,886)$ |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
|  | ADD PUBLIC TRANSPORTATION GRANTS | ADD FUNDING RELATED TO OTHER BILLS | ADD FUNDING FROM SPECIAL ROAD FUND | ADD <br> FUNDING FOR VOLUNTARY LICENSE PLATE | REDUCE <br> FUNDING FOR ADMINISTRATION | TOTAL CONFERENCE COMMITTEE CHANGES |
| Administration |  |  |  |  | $(\$ 100,000){ }^{11}$ | \$60,000 |
| Motor vehicle |  |  |  | \$100,000 10 |  | 200,000 |
| Driver's license |  | \$127,100 8 |  |  |  | 157,100 |
| Highways | \$1,348,000 7 |  | \$600,000 9 |  |  | $(4,796,886)$ |
| Fleet services | \$1,348,000 |  |  |  |  | (926,200) |
| Total all funds | \$1,348,000 | \$127,100 | \$600,000 | \$100,000 | $(\$ 100,000)$ | (\$5,305,986) |
| Less special funds | 1,348,000 | 127,100 | 600,000 | 100,000 | $(100,000)$ | (5,305,986) |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Conference Committee changes narrative:

1 Restores $\$ 160,000$ of the $\$ 330,000$ highway fund reduction made by the House to information technology hardware funding in the administration program, the same as the Senate version.

2 Restores $\$ 50,000$ removed by the House for temporary salaries and $\$ 50,000$ removed by the House for repairs in the motor vehicle program, the same as the Senate version.

3 Restores $\$ 30,000$ of funding from the highway fund removed by the House for temporary salaries in the driver's license program, the same as the Senate version.

4 Restores $\$ 200,000$ of funding from the highway fund removed by the House for repairs and $\$ 250,000$ of funding from the highway fund removed by the House for office equipment and furniture in the highways program, the same as the Senate version.

5 Reduces funding for lease/rental equipment by $\$ 126,200$ and insurance by $\$ 800,000$ from the Fleet Services fund in the Fleet Services program, the same as the Senate version.

6 Reduces funding for highway construction added by the House from budget reductions made in other areas of the department's budget, the same as the Senate version. The department does not need this additional appropriation authority to match anticipated federal highway construction funds for the 1999-2001 biennium.

7 Adds funding from the public transportation fund for grants to public transportation providers as a result of the additional funding generated pursuant to provisions of House Bill No. 1380, the same as the Senate version.

8 Adds funding as follows in the driver's license program for costs associated with the provisions of House Bill No. 1291 (graduated driver's license). The Senate provided $\$ 110,000$ of additional funding relating to this bill.

| Temporary salaries | $\$ 50,000$ |
| :--- | ---: |
| Operating expenses | $\underline{50,000}$ |
| Total | $\$ 100,000$ |

Also adds $\$ 27,100$ of funding in the driver's license program for operating costs associated with the provisions of Senate Bill No. 2406 (proof of liability insurance), the same as the Senate version.

9 Adds $\$ 600,000$ of funding from the special road fund in the highways program for projects approved by the Special Road Committee (SB 2267).

10 Adds $\$ 100,000$ in the Motor Vehicle Division for the department to issue a distinctive Lewis and Clark plate that an individual may choose to purchase for an additional fee of $\$ 10$. Funding is not included for a general license plate issue. The $\$ 10$ fee is estimated to generate $\$ 200,000$ of revenue to the highway fund for the 1999-2001 biennium. The House had not included funding for a new license plate issue and the Senate had provided for a voluntary Lewis and Clark license plate issue beginning in December 1999 with a $\$ 10$ fee and a general license plate issue to begin in December 2000. The cost of the Senate version was $\$ 2.2$ million.

11 Reduces funding from the highway fund in the administration program as follows:

Professional services
Printing
Total
(\$50,000)
$(50,000)$
(\$100,000)

A section is added providing for an interim Legislative Council study of the Fleet Services program, the same as the Senate version.

A section is added providing for an interim Legislative Council study of used car dealers.
A section is added authorizing the department to charge an additional $\$ 10$ fee if an individual requests a specific number plate, the same as the Senate version.

Sections are added providing that license plates must be mounted in a manner that does not cover any part of the plate, that the license plate tabs be placed only in the designated area on the plate, and that the department may issue smaller plates for trailers, if requested. The Senate also made these changes.

Engrossed HB 1012 was placed on the Seventh order of business on the calendar.

## 1999 TESTIMONY

# HOUSE APPROPRIATIONS COMMITTEE <br> January 8, 1999 <br> North Dakota Department of Transportation 

HB 1012

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## INTRODUCTION

Mr. Chairman and members of the committee: Thank you for the opportunity to come before you and describe what the Department of Transportation does and how it does it.

During the past two years, our department has experienced many successes. Including:

- Improving 500 miles on the state highway system over the biennium: 40 miles of regrading and 460 miles of resurfacing.
- Maintaining our highway system through a severe winter and the worst flood in 100 years
- Successfully working for the passage of TEA-21 ("Transportation Equity Act for the $21^{\text {st }}$ Century")


## NDDOT EMPLOYEES

We have dealt with these challenges and carried out our routine activities without a hitch. This fact is a tribute to Department of Transportation employees. I have been director of the department for six years now, and this is probably the last legislative session I will be involved in as director. For this reason, there are some things I want to be sure to say about our employees.

- We have the second-smallest DOT in the nation.
- We have more miles of highway per roadway worker-equipment operator-than any state in the nation.
- Our lowest-paid equipment operator I's make $\$ 1,300$ per month. That's $\$ 15,600$ per year before taxes. Our highest-paid maintenance section supervisor makes about \$30,000 a year. Yet our equipment operators are the people who, more than anyone else, make this department work.
- They go out in blizzards to plow snow, risking their lives and often working several shifts without a break.
- They work many holidays during the winter - and worked New Year's Day 1999.
- Most of them worked many days without stopping during the 1997 floods. Equipment operators from the central and western parts of the state volunteered to go to Fargo and Grand Forks and Devils Lake to help out.
- They did a magnificent job, but they weren't the only ones who helped during the flood. Many DOT employees in all classifications volunteered to go to the flooded areas of the state to perform grueling, dangerous work in the spring of 1997.

Our 1999-01 budget doesn't ask for an increase in FTEs, even though our federal funding will increase more than 40 percent. We will continue to improve our services at our current FTE level, and will outsource to the private sector when necessary.

- 1993-95 - 1078 FTEs
- 1995-97-1048 FTEs
- 1997-99 - 1042 FTEs
- 1999-01 - 1042 FTEs

North Dakota Department of Transportation Employees compare favorably to employees at any other DOT in the nation. They're intelligent, hardworking, diligent people who take great pride in their work. They are our most valuable asset, and are critical for carrying out our mission.

## ORGANIZATIONAL STRUCTURE

From August 1996 to February 1997, the department worked with Wolfe and Associates, a consultant out of Albuquerque, N. Mex., to create the first NDDOT department-wide strategic business plan.

A strategic plan was necessary for a number of reasons.

- The public expects better, faster, more accurate information and services each year. We want to be able to meet their needs.
- A large number of key employees recently retired or will be retiring in the next five years.
- The pace of technological change is accelerating. Employees are technologically sophisticated, which creates a demand for technology and training.
- Outsourcing, privatization, maintaining quality, and using all our resources wisely are issues the department must constantly study and weigh. This plan will help us understand what we need before we decide the best way to achieve it.
- We want to position ourselves to adjust and react quickly and wisely to change, while keeping sight of our basic mission. A strategic business plan keeps us flexible, helps us evaluate existing programs and processes, puts decision-making closer to the public to eliminate bureaucracy, and focuses on customer service.


## The following mission is the product of the planning effort.

- Mission: To provide a surface transportation system to safely move people and commerce.


## These eight areas are critical to our mission:

- We must attract, develop, and retain qualified people.
- We must provide quality services at an acceptable cost.
- We must provide the quality transportation services the public expects.
- We must allow our front-line employees to deliver service in the most effective way and to be flexible enough to adapt to change.
- We must clearly convey our mission and vision to our employees, customers, partners, and stakeholders.
- We must use technology innovatively.
- We must build relationships through improved internal and external communication.
- We must keep our transportation system current with the needs of our citizens.

As a result of the strategic plan, the department was reorganized in the summer and fall of 1997. The purpose of the reorganization was the same as the purpose of creating a strategic business plan: to make the organization more flexible and more able to respond quickly to change, and to improve customer service as we carry out our mission: "to provide a surface transportation system to safely move people and commerce."

Performance management. The next step in implementing our strategic business plan is to adopt performance-based accountability within the department. This is not intended to be part of the evaluation of individual employees. Instead, it analyzes and monitors the effectiveness of how we do what we do in our major business functions.

- Performance management is a means of making sure that all DOT employees understand the department's mission and keep that mission as their guide for every task.
- Performance management also means managing results rather than activities.
- All performance management activities should complement the OMB performance-based budget concept.


## MAJOR NDDOT ACTIVITIES

Many NDDOT major activities are not directly related to construction or maintenance but have high visibility, directly affect the public, supply basic services to other entities, and carry out state law. These activities include driver's license, motor vehicle, state fleet, and transit functions.

## DRIVERS LICENSE AND TRAFFIC SAFETY DIVISION

The NDDOT Drivers License and Traffic Safety Division promotes safety on state highways. DL\&TS employees ensure that only qualified and competent people are licensed to drive, and educate the public with traffic safety programs designed to reduce traffic crashes and the associated deaths, injuries, and property damage. The division has an effect on all the residents of North Dakota, and especially serves infants and children, drivers of all ages, law enforcement, and courts of law.

## In 1997, the Drivers License and Traffic Safety Division:

- was responsible for all driver license services for 452,000 North Dakota drivers
- administered 46,000 written tests and 19,000 road tests
- issued 22,000 permits, 29,000 licenses, 102,000 renewals, and 7,700 ID cards
- processed 315,000 requests for driving records
- processed 125,000 citations
- issued 24,000 suspension orders
- processed 19,000 crash reports

Safety is one of DL\&TS's main areas of activity. It's an issue the public cares about on the local, state, and national levels. TRIP (The Road Information Program), a Washington, D.C. nonprofit organization, writes that "crashes cost [our] state $\$ 214$ million per year -- $\$ 336$ for each resident -- for emergency services, medical costs, property damage, and lost market productivity." The DL\&TS division works hard to keep North Dakota citizens safe on our highways.

- Crashes: There were about 17,000 traffic crashes in North Dakota in 1997.
- Injuries: More than 6,000 people are injured in traffic crashes each year.
- Deaths: In the past five years, an average of 88 people have died in North Dakota each year as a result of traffic crashes: $(1994: 88,1995: 74 ; 1996: 85 ; 1997$ : 105; and 1998:92)


## DL\&TS plans for the future.

- "Smart card" license containing pertinent information to be used by state agencies
- Bringing courts on-line with our licensing database
- Licensing automation in more sites
- Licensing site reallocation to place licensing staff where they are most needed.


## MOTOR VEHICLE DIVISION

The Motor Vehicle Division administers all programs relating to the titling and registration of vehicles, including regulating motor vehicle dealers, interstate motor carriers, mobility impaired parking privileges, and intrastate household goods carriers.

In 1998 the division processed more than a million customer transactions and collected and distributed more than $\$ 100$ million for various state government agencies.

Public expectation of services from the division continues to rise as customers look for faster, more convenient ways to access our services. The division currently serves customers in person and via mail, e-mail, telephone, and 13 privatized motor vehicle branch offices, and is considering more delivery options, including Internet transactions and telephone registration renewals.

The division continues to reengineer its customer delivery system, including a new computer system. Although this project has not been completed, progress continues, and significant components are completed and being used. Completion of the project will position the division for enhanced customer service well into the next century. Delays in completing this project have not hurt the public, and costs associated with the delay are being paid entirely by the contractor. Although we are disappointed with the project delays, we continue to insist that the contractor meet all terms of the contract, and we refuse to accept a substandard system simply in order to speed final delivery.

## The Motor Vehicle Division delivers seven main services to citizens.

1. Licensing vehicle dealers
2. Issuing certificates of public convenience and necessity for household goods carriers
3. Issuing mobility-impaired parking certificates to qualified applicants
4. Providing motor vehicle records
5. Registering and titling vehicles.
6. Collecting revenue: about $\$ 100$ million per year in fees and taxes. These revenues are forwarded monthly to the State Treasurer, who disperses them to the General Fund, the Highway Tax Distribution Fund, the Highway Fund, the Parks and Recreation Department, the Insurance Department, the Health Department, and the National Guard.
7. Training of department employees, vehicle dealers, law enforcement agencies, and lending institutions.

## STATE FLEET SERVICES DIVISION

The state fleet has been an NDDOT responsibility since 1983. The fleet consists of 2,621 licensed motor vehicles, compared to 2,691 two years ago. These vehicles are used by 60 different agencies within state government, as well as by 11 universities and 11 extension and research center locations.

- During FY 1997, the fleet's vehicles traveled 37.7 million miles.
- Since this biennium began, State Fleet has achieved the goals established at the onset. With the help of state agencies and institutions, the division has kept rental rates within the established 1997-1999 budget guidelines. For example, the rental rate for a sedan is $19 ¢$ per mile today, compared with estimated rates of more than $32 \phi$ per mile in the private sector.
- State Fleet has completed $31 / 2$ years of managing the North Dakota university system fleet of vehicles. Today, the extension service and agricultural research centers have 210 licensed vehicles, an 18 percent decrease. The 11 universities have had a similar reduction. Overall, they are quite happy with the State Fleet vehicle program.
- Accidents were reduced by 22 percent over last year. About 5,000 state employees have taken the driver improvement training program during the past two years. This training has been accomplished primarily by the State Fleet defensive driving course instructor.
- State Fleet has established two auction locations to help the department dispose of used vehicles. These auctions have brought good returns.
- Users continue to share expensive specialty trucks.
- Fleet vehicles are maintained on a constant schedule, eliminating over- or under-servicing.
- State Fleet has initiated a fuel management program. All diesel and gas fuel is purchased through a fuel contractor from North Dakota wholesale contractors. The department's MasterCard eliminated hundreds of separate billings and hundreds of employee processing hours.


## TRANSIT PROGRAM ADMINISTRATION

Because of increased private vehicle ownership and other factors, state and national public transit use has steadily declined during the past several decades. Government subsidies are necessary to keep most transit operations in business and give some mobility to people who don't have transportation, including people under driving age, elderly or disabled people, and those with low incomes. NDDOT uses all available federal and state funds (currently $\$ 1.65$ million) to support transit operations throughout the state.

- Two federal transit programs provide funds for transit for people in areas with less than 50,000 population, and for elderly and disabled people
- State Aid for Public Transportation provides about $\$ 677,000$ for transit activities. The funds come from the $\$ 1$ addition to the annual motor vehicle registration fee in North Dakota.
- Fargo, Grand Forks, and Minot have city-wide bus service.
- 14 taxi companies operate in 12 North Dakota cities.
- 5 inter-city bus lines serve 11 major cities in the state.
- 41 rural public transit systems are located throughout the state, primarily to serve the elderly and disabled in rural communities.
- Collectively, these systems operate 235 buses, vans, and cars and provide 1.7 million rides per year.


## SUPPORT SERVICES

In addition to the above services, which have high public visibility, NDDOT has a number of functions which work internally to support all other department functions. They include:

- Financial Management Division
- Human Resource Division
- Information Technology Division
- Legal Division
- Civil Rights Office
- Public Information Office

This is an overview of major NDDOT activities are not directly related to construction or maintenance but have high visibility and supply basic services to other entities. Most NDDOT activities, however, have to do with highway construction or maintenance. The remainder of this discussion will concern those functions.

## FACTORS AFFECTING THE SYSTEM

Through the years, the types of vehicles traveling on the highway network and the services being demanded by the motoring public have changed. The size and weight of trucks using the system has increased, and in some cases our system was not designed to carry these heavy loads. From a system standpoint, we don't have problems moving people in North Dakota, but we do have some difficulties moving commodities.

## INCREASING TRUCK TRAFFIC

Heavy truck traffic-a sign of North Dakota's growing prosperity-is one of the primary causes of pavement deterioration. Heavy truck traffic, both nationwide and in North Dakota, is growing at a faster rate than traffic in general. From 1990 to 1995, total vehicle miles of travel (VMT) increased about 1.5 percent annually, while truck VMT increased about three percent annually.

Figure $1 \quad$ System Size vs. Truck Use: 1997


Figure 1 shows truck VMT on North Dakota's road network.

- The state highway system comprises only 7 percent of the mileage in the state but carries almost 82 percent of the truck traffic.
- Even more dramatic is the effect on the Interstate system: it comprises only one-half of one percent of the statewide mileage but carries more than 35 percent of the truck traffic.
- Roads off the state highway system comprise about 93 percent of the mileage but carry only 18 percent of the truck traffic.

As the number of farms in the state has decreased and farm size has increased, the size and weight of vehicles serving the farm economy have increased. Changes in the agricultural industry have affected the transportation system. For example, 50-bushel-per-acre wheat produces about 1.5 tons per acre. If that same acre were used to produce irrigated potatoes, it would yield 17 tons, and sugar beets would yield 18 tons. Longer, wider, heavier trucks are using our system in response to demands for moving commodities.

Another contributing factor to increasing truck traffic has been the abandonment of railroad branch lines. Since 1980, over 1000 miles of branch lines have been abandoned in the state resulting in more commodities moving longer distances on the highway system.

We have also seen our highway system affected by the development of processing plants. For instance, the Avco french fry plant in Jamestown puts about 17,000 trucks per year on our highways. The Dakota Growers pasta plant in Carrington adds 13,000 trucks per year, and the Pro-Gold plant north of Wahpeton is projected to add over 60,000 trucks per year. While we welcome these facilities to our economy, we need a significant capital investment in our pavements for our highway system to handle the increases in truck traffic.

## SHIFTING POPULATION

For many years, North Dakota has been experiencing a movement in population from the rural to the urban areas. We are considered a rural state, but in 1996, more than half the population lived in the 13 urban areas. The growth of the urban areas and decline of rural areas pose challenges for the transportation system. Traffic may be declining in rural areas, but residents have to travel farther for basic services such as health care, shopping, employment, and recreation.

The growth of the urban areas also poses challenges in efficiently moving people and serving business and industry. With few exceptions, the urban areas are adding to their transportation network and experiencing increases in traffic. However, urban projects are expensive. To redo 6.6 miles of I- 94 through Valley City will cost about $\$ 18$ million. To reconstruct 3.5 miles of I-29 from Main Avenue to $32^{\text {nd }}$ Avenue South in Fargo will cost $\$ 32$ million, and it will cost another $\$ 32$ million for a four-mile segment on I-29 in Fargo, from Main Avenue to North Fargo County Road 20.

With the shifts in population and declining economic opportunities in some of the rural areas, there have been changes in the public's demands for services. For example, more and more people are commuting long distances to work and expect the highways to be cleared of snow quite early in the morning. Our equipment operators are capable and hard-working, but this growing new demand is becoming hard for them to meet.

## CLIMATIC CONDITIONS

NDDOT has had to deal with extreme climatic conditions the past few years, which have put an extra burden on our transportation budget. Excessive moisture from above-average rainfall and record snowfalls in the 1996-97 winter resulted in serious flooding in the Red River Valley and the Devils Lake Basin. The excess moisture caused water to infiltrate highway subgrades at locations throughout the state, accelerating the deterioration of our highway system.

Table 1
Summary of Emergency Relief Funds / State Highway System
1997-1999

| Year | Federal Funds | State Funds | Total Funds |
| :---: | :---: | :---: | :---: |
| 1997 | \$37,587,000 | \$3,906,000 | \$41,493,000 |
| 1998 | \$20,569,000 | \$4,809,000 | \$25,378,000 |
| 1999 | \$1,735,000 | \$433,000 | \$2,168,000 |
| TOTAL | \$59,891,000 | \$9,148,000 | \$69,039,000 |

Source: NDDOT Planning \& Programming Division, December 1998.
To help North Dakota deal with emergency situations, the federal government offered emergency relief funding. Table 1 shows the emergency relief funds that NDDOT has spent or plans to spend on the state highway system from 1997 through 1999. Almost $\$ 69$ million in emergency relief projects has been programmed on the state highway system from 1977 through 1999. This includes about $\$ 60$ million in federal emergency relief funds and $\$ 9$ million in state matching funds. Most of this- $\$ 44$ million of the $\$ 69$ million-was spent in the Devils Lake Basin.

Some of the emergency relief money was 100 percent federal funds. But as the above table shows, NDDOT had to provide $\$ 9$ million in matching funds. The matching funds were provided by delaying equipment purchases, maintenance activities, and building construction in our maintenance sections, and spending down NDDOT's cash balance.

There will always be emergency situations to deal with, but they're hard to plan for, and have a negative impact on other department programs.

## MOISTURE IN HIGHWAY SUBGRADES

Load restrictions. Excessive moisture, resulting from several years of above average precipitation, has forced NDDOT to put spring load restrictions on over 80 percent of our state highways. Load restrictions cause a great inconvenience and added cost to the agriculture, manufacturing, and trucking industries. They hinder the movement of commodities, and influence the location of processing facilities. However, load restrictions must be imposed to protect our highways when they are most vulnerable. The trucking industry is vital to North Dakota's economy, but we need to find a way to help them carry their loads efficiently and profitably while reducing their effect on pavements.

## LIMITED RESOURCES

North Dakota has more miles of roadway per capita than any state in the nation. We have a large road network with a small population base to support it.

Figure $2 \quad$ Fuel Consumption vs. Vehicle Miles Traveled FY1970 to FY1998


Our small population base does somewhat limit our ability to generate revenue. In addition, our state user fees (motor fuel taxes and registration fees) do not have a built-in inflation adjustment factor. Unless the fees are increased ,the revenue generated remains stagnant, or may actually decrease over time. A prime example is provided in Figure 2, which compares motor fuel consumption with vehicle miles of travel. Vehicle miles of travel in North Dakota have increased steadily from about 3.6 billion miles in 1970 to almost 7 billion in 1998. However, motor fuel consumption, which was about 390 million gallons in 1970, peaked at about 550 million gallons in 1979 and has declined to about 535 million gallons in 1998. The major reason for declining fuel consumption is the increasing fuel efficiency of vehicles. Even though total vehicle miles of travel have been increasing, motor fuel consumption has not. Decreasing motor fuel consumption means fewer motor fuel tax dollars to spend on the highway system.

## CONDITION OF THE SYSTEM

NDDOT is responsible for maintaining and preserving 7,378 miles of state highways, which is equivalent to about 8,400 two-lane miles, when Interstate and four-lane highways are included. Most of our state highway system is mature; we are not adding miles to the system. The state is, however, faced with preserving and enhancing the existing system.

The state has fallen behind in preserving the state highway system. We're excited about North Dakota's apportionments under TEA-21. Additional federal dollars will help NDDOT accelerate existing programs and advance many projects that have been needed for a long time. But TEA-21 still doesn't give us enough funding to address all the construction requests that are made.

Figure 3


Because we haven't been able to keep pace with our resurfacing program, our system has been aging. Figure 3 shows that the average age of our state highway system is about 18 years, and that over 40 percent of our system is more than 20 years old. This means many of our highways are approaching or have exceeded their design life.

Figure 4


Figure 4 shows that 44 percent of our state highways are in the fair and poor category. It is likely that some of the mileage in the fair category will fall into the poor category in the next few years. However, as we improve more mileage under the new highway program, the mileage in the
excellent category should also grow. (The information on system condition is based on highway distress scores that are included in the department's pavement management system.)

## FUNDING SOURCES

## TRANSPORTATION EQUITY ACT

The "Transportation Equity Act for the $21^{\text {st }}$ Century," or "TEA-21" was signed into law June 9, 1998. Our five-state coalition (which also includes South Dakota, Wyoming, Idaho, and Montana) worked diligently with our Congressional delegation to ensure that a bill was passed that addressed rural needs. Governor Schafer also promoted TEA-21 actively through the National Governor's Association.

We believe that TEA-21 is good for North Dakota and other rural states. North Dakota will receive about $\$ 1.83$ in federal aid for every dollar the state sends to Washington in fuel taxes.

Table 2
Federal Aid Apportionments (1996-2003)
(Millions of \$)

| Year | NDDOT | Urban Areas | Counties | *Others | Total |
| :---: | :---: | :---: | :---: | :---: | :---: |
| ISTEA |  |  |  |  |  |
| 1996 | \$74.3 | \$16.1 | \$19.9 | \$1.8 | \$112.1 |
| 1997 | \$76.7 | \$19.7 | \$12.4 | \$1.1 | \$109.9 |
| TEA-21 |  |  |  | \$1.0 | \$134.8 |
| 1998 | \$104.1 | \$16.8 $\$ 24.6$ | \$12.9 $\$ 21.6$ | \$2.0 | \$158.1 |
| 1999 | \$109.9 $\$ 112.3$ | \$24.6 $\$ 26.2$ | \$18.6 | \$2.0 | \$159.1 |
| 2001 | \$124.5 | - \$26.8 | \$19.6 | \$2.1 | \$173.0 |
| 2002 | \$115.8 | \$28.6 | \$20.2 | \$2.2 | \$166.8 |
| 2003 | \$125.3 | \$26.6 | \$20.7 | \$2.2 | \$174.8 |

*Others includes tourism, recreation trails, metropolitan planning, etc.
Source: NDDOT Planning \& Programming Division, September 1998

Table 2 shows that the total federal aid apportionment that North Dakota will receive increases gradually, from about $\$ 110$ million in 1997, under the old legislation, to almost $\$ 175$ million in the year 2003 under TEA-21. This table also provides a breakdown of the apportionments that NDDOT, the counties, and the urban areas can anticipate receiving under TEA-21. NDDOT's annual apportionments increases from about $\$ 75$ million under the old legislation to just over $\$ 125$ million in 2003. The counties and urban areas will also receive additional funding.


ROADWAY JURISDICTION

Figure 5 shows the federal funding split for NDDOT, the counties, and the urban areas. The illustration is based on a federal funding level of $\$ 151$ million. Typically, NDDOT would receive $\$ 109$ million, or 72 percent of the total; the urban areas would get almost $\$ 24$ million, or 16 percent; and the counties would receive about $\$ 18$ million, or 12 percent.

Figure 6


Figure 6 shows the categorical funding NDDOT would receive under the synopsis provided above. Of the $\$ 109$ million in federal aid NDDOT would receive, just over $\$ 97$ million, or about 89 percent of the funding, would go for road and bridge improvements. The remaining $\$ 12$ million is split among safety, transportation enhancement, planning and research, preliminary engineering and right-of-way, and metropolitan planning.

Although TEA-21 was passed in 1998, NDDOT won't feel the impact of the increased funding until the 1999 construction season. Because the legislation wasn't signed into law until June 1998, several construction projects that would normally have been let to contract in the spring of 1998 were pushed back to the fall bid lettings. Some of the contracts were let in late summer or early fall of 1998, but the actual construction and expenditure of funds will not occur until the 1999 construction season. We estimate a carryover of almost $\$ 36$ million in construction projects, including about $\$ 6$ million in state matching funds.

The increase in federal funding will help us accelerate our preservation and enhancement programs, but will by no means enable us to do all the projects the public requests. However, by accelerating existing programs, we'll start to catch up on the projects delayed in the past.

We are prepared to proceed with all the projects that TEA-21 funding will allow. We plan to handle the expanded program with our existing staff, and are not asking for additional FTEs. We will look to the private sector for help as needed. We have a project selection process in place, which we use to identify projects we plan to do in the next three years. This process will allow us to efficiently program the additional projects that will be funded through TEA-21.

## STATE MATCHING FUNDS

State and local jurisdictions will have to provide some additional matching funds to access the additional federal dollars. The matching ratio is $90 / 10$ for the Interstate program ; other programs generally require an 80/20 match. As a result of the increased funding provided by TEA-21, the NDDOT will need an additional $\$ 22$ million in state matching funds during the next biennium.

## NDDOT BUDGET REQUEST

## BUDGET REQUEST

Governor Schafer proposes the following for obtaining the necessary additional matching funds.

1. Three cents of the current motor fuel tax is scheduled to sunset December 31, 1999. The recommendation is that the $3 \notin$ be reinstated as a permanent tax.
2. Fund 40 percent of the Highway Patrol budget from the General Fund. Currently, most Highway Patrol funding comes from NDDOT's share of the State Highway Distribution Fund. This change would provide about $\$ 10$ million for NDDOT during the biennium.
3. Increase motor vehicle registration fees, which will generate almost $\$ 10$ million for NDDOT during the biennium. Under the proposal, annual fees for cars will increase $\$ 15$, pickups $\$ 20$, and farm and commercial trucks will go up 10 percent. The average increase for farm trucks will be about $\$ 7$, and for commercial trucks about $\$ 33$.
4. Change the point of taxation for motor fuels from the retailer to the rack. The estimate is that this would generate about $\$ 1.4$ million NDDOT during the biennium.

The Legislature will review these proposals and determine the methods for generating adequate matching funds.

In 1999, NDDOT will have a cash flow problem because the proposed fee increases will not start generating additional revenue until the fall of 1999. The need for additional revenue will exist throughout the 1999 construction season. Shifting to the General Fund some responsibility for funding the Highway Patrol could provide immediate relief to NDDOT's cash flow.

## DETAILS OF NDDOT BUDGET REQUEST

Revenue sources. During the upcoming biennium, NDDOT is asking the Legislature for the budget authority to spend about $\$ 635$ million on transportation-related activities. Figure 7 (see page 16) outlines the budget request and shows where the revenue to support the budget is anticipated to come from.

- $\$ 368$ million, or almost 58 percent, is projected to come from federal aid.
- $\$ 187$ million will come from state motor fuel taxes and vehicle registration fees.
- $\$ 42$ million will be generated through the highway fund
- $\$ 29$ million will be generated by licensing fees and permits.
- $\$ 18$ million will come as reimbursements from the counties and cities for their share of highway construction costs.
(NDDOT anticipates transferring about $\$ 13$ million to the Highway Patrol.)
Expenditures. Figure 8 (see page 17) shows how NDDOT plans to spend the $\$ 635$ million it is asking for.
- $\$ 553$ million, almost 87 percent, will be spent on the highway program.
- $\$ 27$ million will be spent on Administration
- $\$ 10.6$ million will be spent on the motor vehicle program
- $\$ 9.4$ million will be spent on the driver's license program
- $\$ 35$ million will be spent to support fleet services.

There are several areas where there were significant changes in the 1999-01 budget request.

- Administration: This program increased by about $\$ 4.5$ million. The increase is due to a $\$ 5$ million request to deal with the asbestos abatement lawsuit NDDOT is involved in. Without that increase, the administration program would have actually decreased by $\$ 481,700$.
- Motor Vehicle: The major increase in this program is $\$ 2.8$ million to issue new license plates.
- Highways: The increase in this program is the result of the $\$ 77$ million increase in federal aid provided by TEA-21. Without the increase in funding provided by TEA-21, this program would have decreased by about $\$ 14$ million.
- Drivers License: The increase in this program is about $\$ 400,000$, attributable to salary increases, health benefits and temporary salaries.
- Fleet Services: This increase is $\$ 4,046,370$. About half the increase is the result of inflation. The rest is due to a one-time adjustment for equipment purchases.


## CONCLUSION

NDDOT is committed to carrying out its mission: "To provide a surface transportation system to safely move people and commerce." We're strategically organized, flexible, able to respond quickly to change, and focused on providing the best customer service possible. TEA-21 will help us do that. NDDOT has a project selection process in place which will let us move ahead quickly with many additional projects, but we need Legislative support for the additional state matching funds necessary to take advantage of all TEA-21 funding.

Figure 7

## DEPARTMENT OF TRANSPORTATION FUNDING 1999-01 BIENNIUM

(MILLIONS)

## - REVENUE TO HWY DIST FUND

 GAS TAXES| SPECIAL FUELS | $\$ 111.9$ |
| :--- | :---: |
| SPECAL FUELS EXCISE TAX | 85.3 |
| GASOHOL | 10.4 |
| M.V. REGFEE'S | 21.4 |
| POINT OF TAX | 85.8 |
|  | 2.2 |

POINT OF TAX 2.2


SPECLAL FUELS EXCISE TAX GASOHOL
$\$ 111.9$
85.3
10.4 21.4
85.8

FEDERAL AID
ITS GRANT
CONSTRUCTION
R.R.

SAFETY
TRANSIT
BIA
367.7

LICENSING, FEE'S AND PERMITS

MOTOR VEHICLE OOFF THE TOP*
TRUCX REGULATORY FEES
DRIVERS UCENSE FEE'S

HIGHWAY FUND REVENUE

REIMBURSEMENTS FROM ASBESTOS ABATEMENT CITIES AND COUNTIES MV COLECTION FEES .28 FOR THEIR SHARE OF CONSTRUCTION COSTS BUSING ASSISTANCE FLEET SERVICES INTEREST HAY BIDS. ROAD MATERIALS, ETC.


- FUND TRANSFERS
hWY PATROL
13.2

635.2

RECOMMENDATION
FOR HWY FUNDING
PREPARED BY NDDOT

- Pending Legislation

FINANCIAL MANAGEMENT DIVISION
Decomber 28, 1998
FREELANCE GRAPHICS
FILE REV99-01. PRE

Figure 8


# NORTH DAKOTA DEPARTMENT OF TRANSPORTATION <br> <br> BUDGET REQUEST 

 <br> <br> BUDGET REQUEST}

By Program

## 1999-2001 Biennium

# Prepared by <br> NORTH DAKOTA DEPARTMENT OF TRANSPORTATION BISMARCK, NORTH DAKOTA <br> DIRECTOR <br> Marshall W. Moore 

## The mission

## of the North Dakota

Department of Transportation
is to provide
a surface transportation system
to safely move
people and commerce
Program Structure ..... 1
Introduction ..... 2
Expenditure Charts ..... 3
Department of Transportation Funding ..... 4
Proposed Biennial Budget ..... 5
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Motor Vehicle Program ..... 12
Drivers License Program ..... 14
Highways Program ..... 16
State Fleet Services Program ..... 18
Highway Distribution Fund ..... 20

## DEPARTMENT OF TRANSPORTATION CHART OF PROGRAMS <br> (PROPOSED FTE'S)



## INTRODUCTION

North Dakota has more public road and street mileage per capita than any state in the nation. There are 86,806 miles of public roads and streets in the state. This equals approximately 135 miles of road per 1,000 people. South Dakota is second with 119 miles of road per 1,000 people. We have a very large road system supported by a small population.

The North Dakota Department of Transportation is responsible for 7,378 miles of state highways. This includes 6,352 miles of twolane highways and 1,026 miles of four-lane highways. The Department is currently budgeted for 1,042 positions. Hawaii is the only state that has fewer DOT employees than North Dakota.

The cost of providing and preserving a viable road system has increased dramatically in the past decades. Revenues available for road purposes have not kept pace with the increased costs of doing business. As shown in the graphs on the following page, we have not significantly increased our road investment when inflation is considered. Unfortunately that pace has not been adequate to meet the twenty-year pavement life cycle. To maintain our system in its current condition requires rehabilitation of 420 lane miles per year. Currently we are able to rehabilitate less than 200 miles per year.

During the same time frame, the size of the state highway system has increased from 6,800 to 7,378 miles. Even more dramatic is the increase in lane miles from 14,575 in 1970 to 16,835 in 1997.

Extreme variations in weather conditions, changing traffic patterns, and increasing size and weight of vehicles on our system have put more pressure on our road network. Many of our state highways are getting old and were not designed to handle this traffic. Many segments of highway network have reached, or are approaching, the end of their design life and will need major improvements in the near future.

Fortunately, the passage of the Transportation Equity Act for the $21^{\text {St }}$ Century (TEA 21) may provide a level of funding that would allow us to rehabilitate up to 300 lane miles per year. While this does not allow us to reach the 420 miles necessary to maintain the system, it is definitely a great improvement. The challenge to North Dakota will be to provide adequate matching resources so we may fully utilize the additional TEA 21 funds.

With the passage of TEA 21 and adequate matching resources, the DOT is prepared to meet the challenge of providing a transportation system to safely move goods and people well into the $21^{\text {st }}$ Century.

## NDDOT Construction and Maintenance Expenditures Impacts of Inflation - 1970 to 1997

Construction


Maintenance


## DEPARTMENT OF TRANSPORTATION FUNDING 1999-01 BIENNIUM

* REVENUE TO
HWY DIST FUND GAS TAXES SPECLIL SPECLAL FUELS EXCISE TAX GASOHOL M.V. REG FEE'S

POINT OF TAX
(MILLIONS)

| *REVENUE TO |  |
| :--- | :---: |
| HWY DIST FUND |  |
| GAS TAXES | $\$ 111.9$ |
| SPECIAL FUELS | 65.3 |
| SPECIAL FUELS EXCISE TAX | 10.4 |
| GASOHOL | 21.4 |
| M.V. REG FEE'S | 85.6 |
| POINT OF TAX | 2.2 |

FEDERAL AID
ITS GRANT CONSTRUCTION R.R. SAFETY 1.4
351.0
4.0
4.0
2.9
4.4

TRANSIT
367.7


REIMBURSEMENTS FROM
ASBESTOS ABATEMENT
MV COLECTION FEES
CITIES AND COUNTIES
REIMBURSEMENT FRFLEET SERVICES
FOR THEIR SHARE OF BUSING ASSISTANCE
FLEET SERVICES INTEREST


* Pending Legislation

RECOMMENDATION FOR HWY FUNDING

PREPARED BY NDDOT
FINANCIAL MANAGEMENT DIVISION
December 28, 1998
FREELANCE GRAPHICS
FILE REV99-01.PRE

## PROPOSED

1999-01 DEPARTMENT OF TRANSPORTATION BIENNIAL BUDGET (MILLIONS)


## Executive Budget Recommendation

North Dakota Department Of Transportation

| Object <br> Code |  |
| :--- | :--- |
|  |  |
| 1000 | OTE Employees (number) |
|  |  |
| 1001 | Salaries |
| 1002 | Temporary, Overtime \& Shift Differential |
| 1008 | Benefits |
| 1900 | Salary Budget Adjustment |
| 3002 | Data Processing |
| 3003 | Telecommunications - ISD |
| 3004 | Travel |
| 3006 | Utilitis |
| 3007 | Postage |
| 3011 | Lease/Rentals - Equipment |
| 3012 | Lease/Rentals - Buildings/Land |
| 3013 | Dues \& Professional Development |
| 3014 | Operating Fees \& Services |
| 3016 | Repairs |
| 3018 | Professional Services |
| 3019 | Insurance |
| 3021 | Office Supplies |
| 3024 | Printing |
| 3025 | Professional Supplies \& Materials |
| 3027 | Food \& Clothing |
| 3029 | Medical, Dental \& Optical |
| 3030 | Bldg., Grounds, Vehicle Maint. Supplies |
| 3033 | Miscellaneous Supplies |
| 4002 | Office Equipment \& Furniture |
| 4004 | Motor Vehicles |
| 4020 | Other Equipment |
| 5005 | Buildings \& Land |
| 5020 | Other Capital Payments |
| 6006 | Grants |
| 7190 | Special Line Other |
| 7290 | Special Line Other |

## RECOMMENDATION

999-2001
1042.00

60,706,086
$6,505,812$
$21,038,944$
1,000,000
4,478,943
982,061
11,597,799
2.926,709

1,672,573
3,269,074
2,430,438
744,256
$1,191,75$
$9,298,11$
16,475,06
1,175,100
$\begin{array}{r}1,133,620 \\ \hline 982649\end{array}$
982,649
171,666
0
0

29,321,67
3,713,352
2.382.393

21,826.901
1,774,100
9,977,000
382.534,978

32,838,266
262,080
2,827,623

1997-1999
BUDGET
1042.00
$57,263,633$
$6,286,522$
19,619.913
4, 0
893,555
11,483,642
2,874,883
1,599,905
1,671,985
2,276,354
1,021,175
7.098.578

33,689,164
1,064,200
950,713
151,895
0
$28,362.088$
$3,418,481$
1,957,999
18,187,897
1,155,361
6,860,306
310.223.396

35,024,055
0
0

## INCREASEI DECREASE

\%
CHANGE

| 0 | $0.00 \%$ |
| ---: | ---: |
|  |  |
| $3,442,453$ | $6.01 \%$ |
| 219,290 | $3.49 \%$ |
| $1,419,031$ | $7.23 \%$ |
| $1,000,000$ | $100.00 \%$ |
| 101,581 | $2.32 \%$ |
| 88,506 | $9.90 \%$ |
| 114,157 | $0.99 \%$ |
| 51,826 | $1.80 \%$ |
| 72,668 | $4.54 \%$ |
| $1,597,089$ | $95.52 \%$ |
| 154,084 | $6.77 \%$ |
| 114,967 | $18.27 \%$ |
| 170,580 | $16.70 \%$ |
| $2.199,533$ | $30.99 \%$ |
| $(17,214,104)$ | $-51.10 \%$ |
| 110,900 | $10.42 \%$ |
| 183,437 | $19.31 \%$ |
| 67,936 | $7.43 \%$ |
| 19,771 | $13.02 \%$ |
| 0 | $0.00 \%$ |
| 0 | $0.00 \%$ |
| 959,584 | $3.38 \%$ |
| 294,871 | $8.63 \%$ |
| 424,394 | $21.67 \%$ |
| $3,639,004$ | $20.01 \%$ |
| 618,739 | $53.55 \%$ |
| $3,116,694$ | $45.43 \%$ |
| $72,311,582$ | $23.31 \%$ |
| $(2,185,789)$ | $-6.24 \%$ |
| 262,080 | $100.00 \%$ |
| $2,827,623$ | $100.00 \%$ |


| $635,239,021$ | $559,056,534$ | $76,182,487$ | $13.63 \%$ |
| ---: | ---: | ---: | ---: |
| 0 | 0 | 0 | $0.00 \%$ |
| $368,287.450$ | $308,354,061$ | $59,933,389$ | $19.44 \%$ |
| $266,951,571$ | $250,702.473$ | $16,249,098$ | $6.48 \%$ |

The following information has been prepared as a brief explanation of the types of expenditures that are budgeted under each of the object codes.

Budget Object Code

```
1001 Permanent Salaries
        This is based on 1042 FTE's which is the same as the 97-99 biennium level. It also includes the Governor's proposed salary increase.
```

1002 Temporary, Overtime \& Shift Differential This line has been increased $\$ 219,290$ to reflect anticipated usage.

1008 Benefits
This line item is dictated by the pay plan based on the employees we have.

1900 Salary Budget Adjustment
This item is for market based salary adjustments for highway technical employees.

3002 Data Processing
This is for the operating and programming costs paid to ISD. The increase is due to increased ISD rates.

3003 Telecommunications
This is for all DOT telephone services. The increase is due to increased usage of cellular phones.

3004 Travel
This is where we budget the costs of travel - primarily meals, lodging, air transportation, and the use of state vehicles, which includes our snow removal equipment.

3006 Util1ties
The increase is based on projected usage and rates.
3007 Postage
The postage line considers anticipated level of mailing, postal increases and number of postal boxes needed.

3011 Lease/Rentals - Equipment
Includes lease/rental of equipment such as office, audio visual, and road maintenance equipment. This item has increased $\$ 1.6$ million to cover the lease costs on the new aircraft.

## 3012 Lease/Rentals - Buildings/Land

Includes rental of land, storage and handling fees, and rental of building space. This also includes an amount for the State Fleet to reimburse the Department of Transportation for shop overhead.

3013 Dues \& Professional Development
Includes items such as dues for the American Association of State Highway Transportation Officials (AASHTO) and the Transportation Research Board (TRB). The increase is due to increased AASHTO and TRB costs $(\$ 43,000)$ and increased costs for professional development ( $\$ 73,000$ ).

## 3014 Operating Fees \& Services

Includes operating fees for items such as photo licensing, administration of the motorcycle program, and the commercial drivers license program. Subsequent to the submission of our budget, we discovered that we inadvertently budgeted $\$ 283,792$ too much in this line in the Motor Vehicle Program. Therefore, we request that operating fees and services in the Motor Vehicle Program be reduced by that amount.

## 3016 Repairs

Includes costs for repairs of State Fleet and highway equipment, repairs to bridges, buildings, and highways. The increase is due to an increase in Fleet Services repairs $(\$ 1,117,550)$ and repairs for bridges and highways (\$1,008,141).

3018 Professional Services
Includes payments for consultants, training, chemical vegetation control, and legal services. This item has decreased 17.2 million dollars to reflect anticipated usage of such services.

3019 Insurance
Includes property insurance, notaries and liability insurance for fleet vehicles.

## 3021 Office Supplies

Includes supplies for office and data processing operations, as well as software. The increase is primarily due to required software for the Bridge Management System and CDs for the mechanic's manuals.

## 3024 Printing <br> This item has been increased $\$ 67,936$ to reflect anticipated needs.

3025 Professional Supplies \& Materials
This includes books, films, periodicals, and subscriptions.
3030 Building, Grounds, Vehicle Maintenance Supplies
This item has been increased $\$ 959,584$ to reflect anticipated usage of vehicle repair parts.

## 3033 Miscellaneous Supplies <br> This includes supplies not classified and licenses and tags. <br> 4002 Office Equipment \& Furniture <br> Includes office and engineering equipment, and furniture such as desks, chairs, copiers, calculators, typewriters, and computers. This item has been increased $\$ 424,394$ for Intelligent Transportation System equipment, Global Positioning System equipment and upgrades to the Pathways Van.

## 4004 Motor Vehicles

Increased to cover the anticipated costs of vehicle replacement for the State Fleet.
4020 Other Equipment
Includes engineering and lab equipment, shop equipment, radios, audio visual equipment, and minor equipment for road maintenance. The increase of $\$ 618,739$ is attributable to minor equipment needed in our districts for road maintenance.
5005 Buildings and Land
This includes new buildings, building improvements, and right of way land purchases. The increase in this item is due to including \$5,000,000 for asbestos abatement.
5020 Other Capital Payments
Consists of contractor payments for construction and reconstruction of our highways. This reflects the anticipated level of construction for the upcoming biennium.
6006 Grants
This item is for funds passed through to other entities for transportation and safety programs. This line has decreased in response to an anticipated decrease in grant activity.
7190 Special Line Other
This is for automating ten additional drivers license sites (\$100,000) and implementing a teleconferencing system (\$162, 080).

7290 Special Line Other
This item is for the proposed new license plate issue.

## ADMINISTRATIVE PROGRAM

The administrative divisions provide for the development and continuation of executive management, financial management, human resource planning, legal, audit services, procurement, and administrative support. The following divisions are included in Administration: Executive Offices, Financial Management, Legal, Human Resources, and Information Technology. General expenses for maintenance and operation of the headquarters building are also budgeted here.

## Executive Budget Recommendation

North Dakota Department Of Transportation Administration Program - CC 1000

| Object <br> Code | Object Description |
| :--- | :--- |
|  |  |
| 1000 | FTE Employees (number) |
|  |  |
| 1001 | Salaries |
| 1002 | Temporary, Overtime \& Shift Differential |
| 1008 | Beneflts |
| 3002 | Data Processing |
| 3003 | Telecommunications - ISD |
| 3004 | Travel |
| 3006 | Utilities |
| 3007 | Postage |
| 3011 | Lease/Rentals - Equipment |
| 3012 | Lease/Rentals - Buildings/Land |
| 3013 | Dues \& Professional Development |
| 3014 | Operating Fees \& Services |
| 3016 | Repairs |
| 3018 | Professional Services |
| 3019 | Insurance |
| 3021 | Office Supplies |
| 3024 | Printing |
| 3025 | Professional Supplies \& Materials |
| 3027 | Food \& Clothing |
| 3029 | Medical, Dental \& Optical |
| 3030 | Bldg., Grounds, Vehicle Maint. Supplies |
| 3033 | Miscellaneous Supplies |
| 4002 | Office Equipment \& Furniture |
| 4004 | Motor Vehicles |
| 4020 | Other Equipment |
| 5005 | Buildings \& Land |
| 5020 | Otter Capital Payments |
| 6006 | Grants |
| 6008 | Tax Distributions to Government Units |
| 7190 | Special Line Other |
|  |  |

1999-2001
EXECUTIVE
RECOMMENDATION
102,63

$6,645,260$
175,376
$2.016,149$
$3,689,122$
906,879
305,851
506,300
651,154
10,200
18,500
465,056
222,543
$1,451,902$
$1,142,026$
0
582,605
803,566
55,016
0
0
0

1997-1999
BUDGET

$$
\begin{array}{r} 
\\
6.0 \\
1.8 \\
3.5 \\
8 \\
6 \\
6
\end{array}
$$

$$
\begin{array}{r}
6,091,562 \\
156,811 \\
1,802,586
\end{array}
$$

$$
3,583,341
$$

$$
813,323
$$

$$
276,580
$$

$$
611.701
$$

$$
620.330
$$

$$
13,107
$$

$$
20,200
$$

$$
413,939
$$

$$
178,054
$$

$$
1,264,193
$$

$$
3,149,296
$$

$$
1,000
$$

$$
614,217
$$

$$
\begin{array}{r}
738,480 \\
53,661
\end{array}
$$

78
497

1,161,61
232,921


| INCREASEI | $\%$ |
| ---: | ---: |
| DECREASE | CHANGE |
| 0 | $0.00 \%$ |
|  |  |
| 553,698 | $9.09 \%$ |
| 18,565 | $11.84 \%$ |
| 213.563 | $11.85 \%$ |
| 105,781 | $2.95 \%$ |
| 93,556 | $11.50 \%$ |
| 29,271 | $10.58 \%$ |
| $(105,401)$ | $-17.23 \%$ |
| 30,824 | $4.97 \%$ |
| $(2,907)$ | $-22.18 \%$ |
| $1,700)$ | $-8.42 \%$ |
| 51,117 | $12.35 \%$ |
| 44,489 | $24.99 \%$ |
| 187,709 | $14.85 \%$ |
| $(2,007,270)$ | $-63.74 \%$ |
| $(1,000)$ | $-100.00 \%$ |
| $(31,612)$ | $-5.15 \%$ |
| 65,086 | $8.81 \%$ |
| 1,355 | $2.53 \%$ |
| 0 | $0.00 \%$ |
| 0 | $0.00 \%$ |
| 30,000 | $38.44 \%$ |
| $(57,374)$ | $-11.53 \%$ |
| $(78,635)$ | $-6.77 \%$ |
| 0 | $0.00 \%$ |
| $(82,921)$ | $-35.60 \%$ |
| $5.000,000$ | $100.00 \%$ |
| 0 | $0.00 \%$ |
| 200,000 | $1818.18 \%$ |
| 0 | $0.00 \%$ |
| 262,080 | $100.00 \%$ |
|  |  |

\% change

| INCREASEI | $\%$ |
| ---: | ---: |
| DECREASE | CHANGE |
| 0 | $0.00 \%$ |
|  |  |
| 553,698 | $9.09 \%$ |
| 18,565 | $11.84 \%$ |
| 213.563 | $11.85 \%$ |
| 105,781 | $2.95 \%$ |
| 93,556 | $11.50 \%$ |
| 29,271 | $10.58 \%$ |
| $(105,401)$ | $-17.23 \%$ |
| 30,824 | $4.97 \%$ |
| $(2,907)$ | $-22.18 \%$ |
| $1,700)$ | $-8.42 \%$ |
| 51,117 | $12.35 \%$ |
| 44,489 | $24.99 \%$ |
| 187,709 | $14.85 \%$ |
| $(2,007,270)$ | $-63.74 \%$ |
| $(1,000)$ | $-100.00 \%$ |
| $(31,612)$ | $-5.15 \%$ |
| 65,086 | $8.81 \%$ |
| 1,355 | $2.53 \%$ |
| 0 | $0.00 \%$ |
| 0 | $0.00 \%$ |
| 30,000 | $38.44 \%$ |
| $(57,374)$ | $-11.53 \%$ |
| $(78,635)$ | $-6.77 \%$ |
| 0 | $0.00 \%$ |
| $(82,921)$ | $-35.60 \%$ |
| $5.000,000$ | $100.00 \%$ |
| 0 | $0.00 \%$ |
| 200,000 | $1818.18 \%$ |
| 0 | $0.00 \%$ |
| 262,080 | $100.00 \%$ |
|  |  |

20.19\%

9991 General Fund
9992 Federal Fund
9993 Special Fund

26,902,044
22,383,770
0
955,335
25,946,709

22,383,7,
855.061

21,528,709

$$
4,518,274
$$

The Motor Vehicle division is responsible for the issuance of licenses and titles for all vehicles as required by law, and the maintenance of registration and title records for law-enforcement agencies and others with a need to access these records. The division registers 800,000 vehicles per year and issues 230,000 titles. The division protects the public by licensing and regulating vehicle dealers and by identifying proof-of-ownership through a title issuance process. The division is responsible for the collection and distribution of approximately $\$ 42,000,000$ per year in registration fees and taxes.

## Executive Budget Recommendation

North Dakota Department Of Transportation Motor Vehicle Program - CC 2000

| Object <br> Code | Object Description |
| :--- | :--- |
|  |  |
| 1000 | FTE Employees (number) |
|  |  |
| 1001 | Salaries |
| 1002 | Temporary, Overtime \& Shift Differential |
| 1008 | Benefits |
| 3002 | Data Processing |
| 3003 | Telecommunications - ISD |
| 3004 | Travel |
| 3006 | Utilities |
| 3007 | Postage |
| 3011 | Lease/Rentals - Equipment |
| 3012 | Lease/Rentals - Buildings/Land |
| 3013 | Dues \& Professional Development |
| 3014 | Operating Fees \& Services |
| 3016 | Repairs |
| 3018 | Professional Services |
| 3019 | Insurance |
| 3021 | Office Supplies |
| 3024 | Printing |
| 3025 | Professional Supplies \& Materials |
| 3027 | Food \& Clothing |
| 3029 | Medical, Dental \& Optical |
| 3030 | BIdg., Grounds, Vehicle Maint. Supplies |
| 3033 | Miscellaneous Supplies |
| 4002 | Office Equipment \& Furniture |
| 4004 | Motor Vehicles |
| 4020 | Other Equipment |
| 5005 | Buildings \& Land |
| 5020 | Other Capital Payments |
| 6006 | Grants |
| 6008 | Tax Distributions to Government Units |
| 7290 | Special Line Other |

EXECUTIVE
RECOMMENDATION

43.96
$2,031,800$
306,681
738,106
67,021
60,182
54,267
37,486
958,257
$1,080,282$
8,400
61,450
512,890
185,715
31,051
0
44,995
156,533
5,564
0
0

## 1997-1999 BUDGET

$$
43.96
$$

$$
\begin{array}{r}
1,849,984 \\
210,681
\end{array}
$$

$$
651,363
$$

$$
686.021
$$

$$
59,682
$$

$$
\begin{array}{r}
50,767 \\
37,486
\end{array}
$$

$$
\begin{array}{r}
926,255 \\
1,073,532 \\
1.200
\end{array}
$$

$$
\begin{array}{r}
61,450 \\
260 \text { 104 }
\end{array}
$$

$$
369,494
$$

$$
38.618
$$

$$
\begin{array}{r}
11,051 \\
2.750
\end{array}
$$

$$
50,995
$$

$$
153,233
$$

$$
5,564
$$

0
12.000

791,389
51,100

| INCREASEI <br> DECREASE | CHANGE |
| ---: | ---: | ---: |
| 0 |  |
|  | $0.00 \%$ |
| 181,816 | $9.83 \%$ |
| 96,000 | $45.57 \%$ |
| 86,743 | $13.32 \%$ |
| $(10,000)$ | $-1.46 \%$ |
| 500 | $0.84 \%$ |
| 3,500 | $6.89 \%$ |
| 0 | $0.00 \%$ |
| 32.002 | $3.45 \%$ |
| 6,750 | $0.63 \%$ |
| 7,200 | $600.00 \%$ |
| 0 | $0.00 \%$ |
| 143,396 | $38.81 \%$ |
| 147,097 | $380.90 \%$ |
| 20,000 | $180.98 \%$ |
| $(2,750)$ | $-100.00 \%$ |
| $16,000)$ | $-11.77 \%$ |
| 3,300 | $2.15 \%$ |
| 0 | $0.00 \%$ |
| 0 | $0.00 \%$ |
| 0 | $0.00 \%$ |
| 5,000 | $41.67 \%$ |
| 7.348 | $0.93 \%$ |
| 2.422 | $4.74 \%$ |
| 0 | $0.00 \%$ |
| 0 | $0.00 \%$ |
| 0 | $0.00 \%$ |
| 0 | $0.00 \%$ |
| 0 | $0.00 \%$ |
| 0 | $0.00 \%$ |
| $2,827,623$ | $100.00 \%$ |
|  |  |


| $3.551,947$ | $50.07 \%$ |
| ---: | ---: |
| 0 | $0.00 \%$ |
| 148.935 | $218.53 \%$ |
| $3.403,012$ | $48.43 \%$ |

The Drivers License and Traffic Safety program is responsible for the licensing of approximately 450,000 North Dakota drivers. This is accomplished through licensing, including issuance, removal, and traffic safety education. The Drivers License division administers the driver examinations, issues drivers' licenses, and non-driver photo identification. The division processes driving records, crash reports, and traffic violation information. The division assures compliance with financial responsibility laws and administers the suspension, revocation, and cancellation of driving privileges. The division also administers the Traffic Safety programs.

## Executive Budget Recommendation

North Dakota Department Of Transportation Drivers License Program - CC 3000

| 1999-2001 |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Object <br> Code | Object Description | EXECUTIVE <br> RECOMMENDATION | 1997-1999 BUDGET | INCREASEI DECREASE | \% <br> CHANGE |
| 1000 | FTE Employees (number) | 61.43 | 61.43 | 0 | 0.00\% |
| 1001 | Salaries | 3,048,788 | 2,912.889 | 135.899 | 4.67\% |
| 1002 | Temporary, Overtime \& Shift Differential | 149,567 | 80,135 | 69,432 | 86.64\% |
| 1008 | Benefits | 1,045,945 | 959,535 | 86,410 | 9.01\% |
| 3002 | Data Processing | 0 | 0 | 0 | 0.00\% |
| 3003 | Telecommunications - ISD | 0 | 0 | 0 | 0.00\% |
| 3004 | Travel | 153.500 | 140,860 | 12,640 | 8.97\% |
| 3006 | Utilities | 11,425 | 11,400 | 25 | 0.22\% |
| 3007 | Postage | 5,400 | 3.000 | 2,400 | 80.00\% |
| 3011 | Lease/Rentals - Equipment | 4,921 | 2,921 | 2,000 | 68.47\% |
| 3012 | Lease/Rentals - Buildings/Land | 65,079 | 75,079 | $(10,000)$ | -13.32\% |
| 3013 | Dues \& Professional Development | 21,000 | 14.000 | 7,000 | 50.00\% |
| 3014 | Operating Fees \& Services | 39,500 | 45,400 | $(5,900)$ | -13.00\% |
| 3016 | Repairs | 18,000 | 14,500 | 3,500 | 24.14\% |
| 3018 | Professional Services | 1,081,205 | 971,205 | 110,000 | 11.33\% |
| 3019 | Insurance | 0 | 0 | 0 | 0.00\% |
| 3021 | Office Supplies | 33,295 | 27.295 | 6,000 | 21.98\% |
| 3024 | Printing | 20.000 | 20,000 | 0 | 0.00\% |
| 3025 | Professional Supplies \& Materials | 30,000 | 27.899 | 2,101 | 7.53\% |
| 3027 | Food \& Clothing | - | 0 | 0 | 0.00\% |
| 3029 | Medical, Dental \& Optical | 0 | 0 | 0 | 0.00\% |
| 3030 | Bldg., Grounds, Vehicle Maint. Supplies | 0 | 0 | 0 | 0.00\% |
| 3033 | Miscellaneous Supplies | 11.350 | 17,040 | $(5,690)$ | -33.39\% |
| 4002 | Office Equipment \& Furniture | 33,200 | 47,200 | $(14,000)$ | -29.66\% |
| 4004 | Motor Vehicles | 0 | 0 | 0 | 0.00\% |
| 4020 | Other Equipment | 0 | 0 | 0 | 0.00\% |
| 5005 | Buildings \& Land | 0 | 0 | 0 | 0.00\% |
| 5020 | Other Capital Payments | 0 | 0 | 0 | 0.00\% |
| 6006 | Grants | 3,580,000 | 3,580,000 | 0 | 0.00\% |
| 6008 | Tax Distributions to Government Units | 0 | 0 | 0 | 0.00\% |
| 7003 | Refunds | 0 |  | 0 | 0.00\% |
| 7004 | Transfers | 0 |  |  |  |
|  | Cost Center Total | 9,352,175 | 8,950,358 | 401,817 | 4.49\% |
| 9991 | General Fund |  |  | 0 | 0.00\% |
| 9992 | Federal Fund | 4.053 .260 | 4,029.255 | 24,005 | 0.60\% |
| 9993 | Special Fund | 5,298,915 | 4,921,103 | 377,812 | 7.68\% |

The Highways program provides for the survey, design, construction, maintenance, and evaluation of our system of bridges, roads, and streets to ensure safe and efficient movement of goods and people. Programming of federal funds and transportation planning functions relating to highways and railroads are also budgeted here. The Highways program includes the following divisions: Maintenance and Engineering Services, Construction Services, Planning and Programming, Local Government, Design, Bridge and Materials and Research. The eight districts are also included in this program and provide for the maintenance of roadways, roadsides, rest areas, signing, bridges, drainage, snow and ice removal and equipment maintenance.

## Executive Budget Recommendation

North Dakota Department Of Transportation Highways Program - CC 4000

|  |  |
| :--- | :--- |
| Object <br> Code | Object Description |
|  |  |
| 1000 | FTE Employees (number) |
|  |  |
| 1001 | Salaries |
| 1002 | Temporary, Overtime \& Shift Differential |
| 1008 | Benefits |
| 1900 | Salary Budget Adjustment |
| 3002 | Data Processing |
| 3003 | Telecommunications - ISD |
| 3004 | Travel |
| 3006 | Utilities |
| 3007 | Postage |
| 3011 | Lease/Rentals - Equipment |
| 3012 | Lease/Rentals - Buildings/Land |
| 3013 | Dues \& Professional Deveiopment |
| 3014 | Operating Fees \& Services |
| 3016 | Repairs |
| 3018 | Professional Services |
| 3019 | Insurance |
| 3021 | Office Supplies |
| 3024 | Printing |
| 3025 | Professional Supplies \& Materials |
| 3027 | Food \& Clothing |
| 3029 | Medical, Dental \& Optical |
| 3030 | Bldg., Grounds, Vehicle Maint. Supplies |
| 3033 | Miscellaneous Supplies |
| 4002 | Office Equipment \& Furniture |
| 4004 | Motor Vehicles |
| 4020 | Other Equipment |
| 5005 | Buildings \& Land |
| 5020 | Other Capital Payments |
| 6006 | Grants |
| 6008 | Tax Distributions to Government Units |
| 7003 | Refunds |
| 7004 | Transfers |


| 19997-2001 |  |  |  |
| :---: | :---: | :---: | :---: |
| EXECUTIVE | 1997-1999 | INCREASEI | \% |
| RECOMMENDATION | BUDGET | DECREASE | CHANGE |
| 805.93 | 805.93 | 0 | 0.00\% |
| 47,490.171 | 44,760,410 | 2.729,761 | 6.10\% |
| 5.848,343 | 5,816,750 | 31.593 | 0.54\% |
| 16,716.017 | 15,637,698 | 1,078.319 | 6.90\% |
| 1,000,000 | 0 | 1,000,000 | 100.00\% |
| 0 | 0 | O | 0.00\% |
| 0 | 550 | (550) | -100.00\% |
| 11,036,129 | 10,973.815 | 62.314 | 0.57\% |
| 2,370,326 | 2.213.246 | 157,080 | 7.10\% |
| 57,712 | 50.270 | 7.442 | 14.80\% |
| 2.022.471 | 431.425 | 1,591,046 | 368.79\% |
| 222.709 | 214,125 | 8,584 | 4.01\% |
| 194,250 | 137,400 | 55,850 | 41.38\% |
| 290,722 | 282.727 | 7,995 | 2.83\% |
| 4,356,394 | 3.611 .217 | 745,177 | 20.64\% |
| 14,180,278 | 29,517.112 | $(15,336,834)$ | -51.96\% |
| 275,100 | 260.450 | 14,650 | 5.62\% |
| 418,725 | 249.176 | 169,549 | 68.04\% |
| 1,550 | 2.000 | (450) | -22.50\% |
| 60,886 | 56.571 | 4,315 | 7.63\% |
| 0 | 0 | 0 | 0.00\% |
| 0 | 0 | 0 | 0.00\% |
| 23,251.480 | 21,723.497 | 1,527,983 | 7.03\% |
| 2.409,829 | 2,066,242 | 343.587 | 16.63\% |
| 1.207,688 | 668.081 | 539,607 | 80.77\% |
| 2.036.211 | 1.854,297 | 181,914 | 9.81\% |
| 1,623,100 | 921.440 | 701,660 | 76.15\% |
| 4,977,000 | 6,860.306 | $(1,883,306)$ | -27.45\% |
| 382,534,978 | 310.223,396 | 72,311,582 | 23.31\% |
| 29,047,266 | 31,433,055 | (2,385,789) | -7.59\% |
|  | 0 | 0 | 0.00\% |
|  |  | 0 | 0.00\% |

## Cost Center Total

9991 General Fund
9992 Federal Fund
9993 Special Fund

| $553,629,335$ | $489,965.256$ | $63,664,079$ | $12.99 \%$ |
| ---: | ---: | ---: | ---: |
|  |  | 0 | $0.00 \%$ |
| $363,061.768$ | $303,401.593$ | $59.660,175$ | $19.66 \%$ |
| $190,567,567$ | $186,563,663$ | $4,003,904$ | $2.15 \%$ |

## STATE FLEET SERVICES PROGRAM

State Fleet Services is responsible for the management, operations, maintenance, purchase, and disposal of all state licensed motor vehicles. Special emphasis is placed on utilization, downsizing, and review of vehicle maintenance and operations to produce the lowest cost transportation possible to state agencies.

## Executive Budget Recommendation

## North Dakota Department Of Transportation Fleet Services Program - CC 5000

| Object | Object Description |
| :--- | :--- |
| Code |  |
| 1000 | FTE Employees (number) |
|  |  |
| 1001 | Salaries |
| 1002 | Temporary, Overtime \& Shift Differential |
| 1008 | Benefits |
| 3002 | Data Processing |
| 3003 | Telecommunications - ISD |
| 3004 | Travel |
| 3006 | Utilities |
| 3007 | Postage |
| 3011 | Lease/Rentals - Equipment |
| 3012 | Lease/Rentals - Bulldings/Land |
| 3013 | Dues \& Professional Development |
| 3014 | Operating Fees \& Services |
| 3016 | Repairs |
| 3018 | Professional Services |
| 3019 | Insurance |
| 3021 | Office Supplies |
| 3024 | Printing |
| 3025 | Professional Supplies \& Materials |
| 3027 | Food \& Clothing |
| 3029 | Medical, Dental \& Optical |
| 3030 | Bldg., Grounds, Vehicle Maint. Supplies |
| 3033 | Miscellaneous Supplies |
| 4002 | Office Equipment \& Furniture |
| 4004 | Motor Vehicles |
| 4020 | Other Equipment |
| 5005 | Buildings \& Land |
| 5020 | Other Capital Payments |
| 6006 | Grants |
| 6008 | Tax Distributions to Government Units |
| 7003 | Refunds |
| 7004 | Transfers |


| 1999-2001 |  |  |  |
| :---: | :---: | :---: | :---: |
| EXECUTIVE | 1997-1999 | INCREASEI | \% |
| RECOMMENDATION | BUDGET | DECREASE | CHANGE |
| 28.05 | 28.05 | 0 | 0.00\% |
| 1,490,067 | 1,648,788 | $(158,721)$ | -9.63\% |
| 25,845 | 22,145 | 3,700 | 16.71\% |
| 522.727 | 568,731 | $(46,004)$ | -8.09\% |
| 113.800 | 108,000 | 5,800 | 5.37\% |
| 15,000 | 20.000 | $(5,000)$ | -25.00\% |
| 48,052 | 41.620 | 6.432 | 15.45\% |
| 1.172 | 1,050 | 122 | 11.62\% |
| 50 | 50 | 0 | 0.00\% |
| 151.200 | 151.000 | 200 | 0.13\% |
| 2,115,750 | 1,965,750 | 150,000 | 7.63\% |
| 2,500 | 2.500 | 0 | 0.00\% |
| 126,100 | 145,500 | $(19,400)$ | -13.33\% |
| 3,286,100 | 2,170,050 | 1,116,050 | 51.43\% |
| 40,500 | 40,500 | 0 | 0.00\% |
| 900,000 | 800,000 | 100,000 | 12.50\% |
| 54,000 | 8,500 | 45,500 | 535.29\% |
| 1,000 | 1.000 | 0 | 100.00\% |
| 20,200 | 8,200 | 12,000 | 146.34\% |
| 0 | 0 | 0 | 0.00\% |
| 0 | 0 | 0 | 0.00\% |
| 5,945,152 | 6,548.551 | $(603,399)$ | -9.21\% |
| 53,000 | 46,000 | 7,000 | 15.22\% |
| 5,000 | 30,000 | $(25,000)$ | -83.33\% |
| 19,790,690 | 16,333,600 | 3,457,090 | 21.17\% |
| 1,000 | 1,000 | 0 | 0.00\% |
| 0 | 0 | 0 | 0.00\% |
| 0 | 0 | 0 | 0.00\% |
| 0 | 0 | 0 | 0.00\% |
| 0 | 0 | 0 | 0.00\% |
| 0 | 0 | 0 | 0.00\% |
| 0 | 0 |  |  |
| 34,708,905 | 30,662,535 | 4,046,370 | 13.20\% |
| 0 | 0 | 0 | 0.00\% |
| 0 | 0 | 0 | 0.00\% |
| 34,708,905 | 30,662,535 | 4,046,370 | 13.20\% |

HIGHWAY DISTRIBUTION FUND BREAKDOWN OF ACTUAL AND ESTIMATED REVENUE 1995-97, 1997-99, AND 1999-2001 BIENNIUMS

1995-97 BIENNIUM (Actual)


1997-99 BIENNIUM (Estimated)

|  | DEPT OF |  | K. |  |
| :---: | :---: | :---: | :---: | :---: |
| SOURCE | TRANSPORTATION | COCAXIES | CITHES | TOFAL |
|  |  |  |  |  |
| Gasoline Tax | 70,990,191 | 25,917,054 | 15,775,598 | 112,682,843 |
| Gasohol Tax | 11,830.237 | 4,318,975 | 2,628,942 | 18,778,154 |
| Special Fueis(diesel) Tax | 38,036.508 | 13,886,345 | 8,452,558 | 60,375,411 |
| Special Fuels 2\% Excise Tax | 6,134,504 | 2,239,581 | 1,363,223 | 9,737.308 |
| MV Registration Fees | 41,845,853 | 15,277,057 | 9,299,078 | 66,421,988 |
| TOTAL | \$168,837,294 | \$61,639,012 | \$37,519,399 | \$267,995,704 |

1999-2001 BIENNIUM (Estimated)

|  | DEPT OF |  | CITIES.. | TOTAL |
| :---: | :---: | :---: | :---: | :---: |
| SOURCE | TRANSPORTATION | COCNFES |  |  |
|  |  |  |  |  |
| Gasoline Tax | 70,516,934 | 25.744,277 | 15,670,430 | 111,931,641 |
| Gasohol Tax | 13,523,595 | 4,937,186 | 3,005,243 | 21,466,024 |
| Special Fuels(diesel) Tax | 41,189,620 | 15,037,481 | 9,153,249 | 65,380,350 |
| Special Fuels 2\% Excise Tax | 6,560,304 | 2,395,031 | 1,457,845 | 10,413,180 |
| MV Registration Fees | 42,412,356 | 15,483,876 | 9,424.968 | 67,321,200 |
| TOTAL | \$174,202,809 | \$63,597.851 | \$38,711,735 | \$276.512,395 |

# HOUSE APPROPRIATIONS COMMITTEE <br> Government Operations Division <br> January 15, 1999 

North Dakota Department of Transportation Marshall W. Moore, Director

HB 1012

Good morning. To help me present the North Dakota Department of Transportation budget, I have Ray Zink, Deputy Director for Engineering Policy, (page 2); Shannon Sauer, Financial Services Division director (page 3); Paul Feyereisen, State Fleet Services Division director (page 5); Marsha Lembke, Drivers License and Traffic Safety Division director (page 8); and Keith Kiser, Motor Vehicle Division director (page 10).

The department's top priorities are to hold administrative costs and normal operational maintenance expenses to a minimum, and to provide, whenever possible, the kind of service the public expects. This budget does not ask for an increase in FTEs, even though our federal funding has increased more than 40 percent. We will continue to improve our services at our current FTE level, and will outsource to the private sector when necessary.

During the past two years, our department has experienced many successes, including:

- Improving 500 miles on the state highway system over the biennium: 40 miles of regrading and 460 miles of resurfacing
- Maintaining our highway system through a severe winter and the worst flood in 100 years
- Successfully working for the passage of TEA-21 ("Transportation Equity Act for the $21^{\text {st }}$ Century")

We have dealt with these challenges and carried out our routine activities without a hitch because of the hard work and excellence of DOT employees. We have the second-smallest DOT in the nation. We have more miles of highway per roadway worker-equipment operator-than any state in the nation. And we have dedicated employees. Our lowest-paid equipment operator I's make less than $\$ 16,000$ per year, yet they're the people who risk their lives in blizzards, work during many winter holidays, and routinely work several shifts without stopping when there's a blizzard.

These equipment operators exemplify ALL our employees, who are committed to doing whatever needs to be done. Drive by the transportation building at 6 a.m. and you'll see lights on and people working. DOT employees are intelligent, hardworking, diligent people who take great pride in their work. They are our most valuable asset, and are critical for carrying out our mission, which is "to provide a surface transportation system to safely move people and commerce."

# North Dakota Department of Transportation Ray Zink, Deputy Director for Engineering Policy 

HB 1012

I would like to bring several engineering issues to your attention:
SPRING LOAD RESTRICTIONS. Spring load restrictions are becoming more of a concern to many segments of our economy. Potatoes-and, in some cases, sugar beets-need to be moved in the spring. Virtually all anhydrous ammonia fertilizer is moved in the spring, both at the wholesale and retail levels. Many businesses look at the spring time load restrictions when deciding where they will locate future facilities. It is becoming very difficult to accommodate the many requests we receive to modify what we believe to be appropriate load restrictions to protect our pavements during the spring.

INCREASED DEMAND FOR WINTER MAINTENANCE. We frequently get comments on our winter maintenance from people who live as much as 50 miles from their workplace. These people expect to be able to drive to their workplace every morning during the winter season with the snow plowing and sanding done before the get in their vehicle. People in urban areas expect their multi-lane highways and bridges to be plowed and sanded before the morning rush hour.

We established the level of maintenance employees based on our winter maintenance for just one shift. We cannot meet the demands for winter maintenance that we receive. With our current maintenance personnel, if we provide service at $6 \mathrm{a} . \mathrm{m}$. we cannot provide service at $6 \mathrm{p} . \mathrm{m}$. There is a limit to the amount of overtime a snowplow operator can work safely and effectively.

PAST DELAY OF MORE COSTLY CONSTRUCTION PROJECTS. Because of the limited availability of funds, some projects have been delayed. For example, asphalt overlay projects are often delayed because they require roadbed widening before the overlay is placed on the existing surface. The roadbed is not wide enough to overlay and still provide a suitable shoulder. With the increased revenue and the built-up demands for this type of project, there will be more of these them in future programs.

HEAVY TRUCK WEIGHTS IN OTHER STATES AND CANADA. Montana, South Dakota, and Manitoba all allow heavier truck weights on their highways than North Dakota does. This lets them move agricultural products with lower hauling costs. The effect is that the sugar beet plant in Sidney, Montana, would rather contract for Montana beets than North Dakota beets, and potato processors would rather get Manitoba potatoes than North Dakota potatoes. Truck weights are the subject of HB 1229, which will be dealt with during this session. NDDOT tries to help North Dakota growers maintain their respective acreage, but the cost of providing pavements to accommodate increased truck weights is a big issue

# HOUSE APPROPRIATIONS COMMITTEE 

Government Operations Division
January 15, 1999

## North Dakota Department of Transportation Shannon Sauer, Director, Financial Management Division

HB 1012

Good morning, Chairman Byerly and members of the committee. For my part of the presentation this morning I will provide an overview of the department's budget and highlight those areas having substantial increases or decreases.

Our budget is a program budget. We submitted it with five major programs: Drivers License and Traffic Safety, Motor Vehicle, Administration, Highways, and State Fleet Services.

The executive budget recommendation for each of these programs is included in pages 10 through 19 of the budget request booklet we gave you this morning. However, because of limited time, my comments will be on the budget at the department level, pages 6 through 9 in your booklet. I will discuss some of the object codes in detail at this time, beginning on page 7.

Objects 1000 through 1900 are our salary and wage objects. This is where we budget all pay for our permanent and temporary employees, overtime pay, and fringe benefits. The executive recommendation for these objects reflects the recommended compensation package.

As a point of clarification, the Department is currently budgeted for 1,042 full time equivalent positions and our new request is for the same number of positions. The 1,042 FTEs are allocated to the programs as follows: Administration: 102.63 FTEs; Motor Vehicle: 43.96 FTEs; Drivers License: 61.43 FTEs; Highways: 805.93 FTEs; and State Fleet Services: 28.05 FTEs.

Objects 3002 and 3003 represent our budget to reimburse ISD for data processing and telecommunication costs. The amount budgeted is based on anticipated use and ISD rates. Also, we budgeted $\$ 483,235$ to reimburse OMB for the NDDOT share of their indirect costs.

Object 3004 is travel for our employees: primarily meals, lodging, air transportation, and the use of state fleet vehicles, which includes our snow removal equipment.

Object 3007 is for postage. The increase in this area is due to the anticipated level of mailings and expected postage rate increases.

Object 3011 is for lease/rental of equipment. This includes the budget to lease or rent equipment such as office, audiovisual, and road maintenance equipment. This item has increased $\$ 1.5$ million to cover the lease cost on the Department's new aircraft.

Object 3013 is for dues and professional development. This includes items such as the American Association of State Highway Transportation Officials (AASHTO) and the Transportation

Research Board (TRB). The increase is due to increases in the AASHTO and TRB costs and increased costs for professional development seminars.

Object 3014 includes operating fees for items such as photo licensing, administration of the motorcycle program, and the commercial drivers license program. Subsequent to the submission of our budget, we discovered that we inadvertently budgeted $\$ 283,792$ too much in this line in the Motor Vehicle Program. Therefore, we request that operating fees and services in the Motor Vehicle Program be reduced by that amount.

Object 3016 is for repairs of state fleet and highway equipment, and repairs to bridges, buildings, and highways. The increase is due to an increase in State Fleet repair costs ( $\$ 1.1$ million) and an increase in repairs for bridges and highways ( $\$ 1.0$ million).

Object 3018 is for professional services. This includes payments for consultants, training, chemical vegetation control, and legal services. This item has decreased $\$ 17.2$ million dollars to reflect anticipated use of such services.

Object 3021 includes office and data processing supplies, and software. The increase is primarily due to required software for the Bridge Management System and CDs for our mechanics manuals.

Object 3030 is for buildings, grounds, and vehicle maintenance supplies. This item has been increased $\$ 959,000$ to reflect anticipated use of vehicle repair parts.

Object 4002 includes office equipment and furniture, and engineering equipment. This item has been increased $\$ 424,394$ for Intelligent Transportation System equipment, Global Positioning System equipment, and upgrades to the Pathways van.

Object 4004 is for motor vehicles. This item has been increased to cover the anticipated cost of vehicle replacement for the state fleet.

Object 4020 is for other equipment. This includes lab equipment, shop equipment, radios, audiovisual equipment, and minor equipment for road maintenance. The increase of $\$ 618,000$ is for minor equipment needed in our districts for road maintenance.

Object 5005 includes new buildings, building improvements, and right of way land purchases. The increase in this item is for $\$ 5,000,000$ in asbestos abatement. The DOT is involved in a lawsuit pertaining to the asbestos in the central office building. The department would use the proceeds from this lawsuit to remedy the asbestos problem in that building.

Object 5020 consists of contractor payments for construction of our highways. This object is based on the anticipated level of activity for the upcoming biennium.

Object 6006 is for funds passed through to other entities for transportation and safety programs. This line has decreased in response to an anticipated decrease in grant activity.

Object 7190 is for automating up to ten additional driver's license sites $(\$ 100,000)$ and implementing a teleconferencing system $(\$ 162,080)$.

Object 7290 is for the proposed new license plate issue.

# YSENATE APPROPRIATIONS COMMITTEE 

March 9, 1999

# North Dakota Department of Transportation Shannon Sauer, Director, Financial Management Division 

HB 1012

Good morning, Chairman Nething and members of the committee. My part of the presentation this morning is an overview of the House changes to HB 1012 and discussion of some of the changes in detail. We've provided you with some handouts, and I'll begin with those.

You received a green Budget Request booklet. This details our budget request as originally presented in HB 1012. It provides descriptions of our major programs and line-by-line budget detail for each program as well as for the entire department. Because we want to focus on the House changes to the budget, I won't discuss this booklet in detail, but please contact us if you have questions.

The second handout is a set of charts showing our budget based on the engrossed HB 1012. Let's start with the NDDOT funding chart on page 1 of the packet of charts and schedules.

This chart shows the available funding based on current law, plus the impact of major bills affecting highway revenue. These bills include HB 1183, HB 1462 , and HB 1019. The chart also reflects the recent agreement pertaining to fuel sold on Indian reservations, which results in a loss of about $\$ 400,000$. Following this chart to the bottom, you'll see about $\$ 622$ million available for highway funding.

The next chart is the NDDOT Biennial Budget based on the engrossed HB 1012. At the top of the chart you see the available funding of $\$ 622$ million. As we move down the chart, you see the engrossed budget for each of our five major programs. When you reach the bottom of the chart, you can see that under the engrossed bill, NDDOT is left with a shortfall of approximately

## $\$ 8.4$ million dollars.

I'd like to discuss the changes the House has made to HB 1012. Please refer to page 3 of your packet. This schedule is sorted by major program. In the second column you will see each of our five programs: administration, drivers license, fleet services, highways, and motor vehicle.

I'll begin with the ADMINISTRATION program. In the area of employee compensation and benefits, the House made changes to reflect the $2 \%$ compensation package and the health insurance adjustments. They reduced the travel budget by $\$ 10,000$. The budget to reimburse OMB for the NDDOT share of indirect costs was eliminated $(\$ 483,235)$. The budget for data processing was reduced by $\$ 330,000$. NDDOT had budgeted $\$ 162,080$ to implement a teleconferencing system and $\$ 100,000$ to automate up to ten additional drivers' license sites. These budgets were reduced by $\$ 120,355$ and $\$ 50,000$, respectively.

In the DRIVERS LICENSE program, the employee compensation and health insurance budgets were adjusted to reflect the recommended packages. The budget for temporary employees was reduced by $\$ 30,000$ and the budget for travel expenses was reduced by $\$ 6,000$.

In the FLEET SERVICES program, the employee compensation and health insurance budgets were adjusted, and the fleet portion of one vacant FTE was eliminated.

In the HIGHWAYS program, the employee compensation and health insurance budgets were adjusted, and the highways portion of two vacant FTEs was eliminated. The budget for repairs was reduced by $\$ 200,000$; building, grounds, vehicle, and maintenance supplies were reduced by $\$ 250,000$; office supplies were reduced by $\$ 100,000$; and office equipment and furniture was reduced by $\$ 250,000$. The House added back most of the reductions by increasing highway construction funding by $\$ 7,194,886$. They also reduced the budget for buildings and land by $\$ 1,238,000$, and reduced the budget related to a grant for the BIA by $\$ 4.3$ million. The budget for this grant was removed at NDDOT's request because the grant will no longer be handled through our budget.

The MOTOR VEHICLE program budget was adjusted for the employee compensation and health insurance packages. The budget for temporary salaries was reduced by $\$ 50,000$. At NDDOT's request, operating fees were reduced by $\$ 283,792$. After submitting our budget request, we discovered that we had inadvertently budgeted too much in that line; hence the reduction request. The House also reduced the motor vehicle program budget for repairs by $\$ 50,000$, and removed the $\$ 2.8$ million for the general license plate issue.

## Several of these changes will be quite difficult for NDDOT to implement. I'd like to discuss them here.

In the ADMINISTRATION program, the House reduced the budget for data processing by $\$ 330,000$. Increased ISD costs make it harder and harder for us to stay within our current budget. To absorb this entire cut would likely result in reduced operations and maintenance of existing systems. We believe that we can absorb a portion of this cut if we continue to have the flexibility to rearrange our information technology division budget as needed to fund our activities. We are requesting that the Senate restore $\$ 160,000$ of the cut.

The temporary salary budget for DRIVERS LICENSE was reduced by $\$ 30,000$. This budget was for data entry and clerical help in the crash reporting and suspensions areas. We requested the increase in temporary help instead of requesting additional FTEs. This increase is related to existing programs, not to new activities. Without the ability to obtain additional temporary help, we will not be able to keep up with the crash reporting and suspensions requirements. We request that the Senate restore the $\$ 30,000$ cut by the House.

The House reduced the HIGHWAYS budget for repairs by $\$ 200,000$. This budget is used to repair highways, bridges, and equipment. The present biennium budget for bridge and highway repairs is already exhausted. The current levels are not adequate and we must increase this item to keep pace with the demand for repairs. We request that the Senate restore the $\$ 200,000$ cut by the House.

The HIGHWAYS budget for office equipment and furniture was reduced by $\$ 250,000$. We requested an increase to enable the purchase of federally funded engineering equipment. The

Federal Highway Administration provides a category of funding known as State Planning and Research. These funds cannot be transferred to construction categories. They require a 20 percent state match. We intended to use some of these funds to acquire Intelligent Transportation System equipment, Global Positioning System equipment, and upgrades for the Pathways van. While cutting these items will reduce our overall budget, it will save only about $\$ 50,000$ in state funds. We request that the Senate restore the $\$ 250,000$ cut by the House.

The MOTOR VEHICLE budget for temporary salaries was reduced by $\$ 50,000$. This budget is to provide for seasonal temporary help with routine licensing activities. It was not related to the proposed general license plate issue, and these costs will be incurred whether or not there is a general license plate issue. Without the ability to hire temporary help, it will be very difficult to keep up with routine licensing, so we request that the $\$ 50,000$ cut by the House be restored.

The House reduced the MOTOR VEHICLE program budget for repairs by $\$ 50,000$. This budget was intended for service contracts for the vehicle titling and registration system. We ask that the $\$ 50,000$ cut by the House be restored.

After submitting the NDDOT budget, we became aware of two areas in the FLEET SERVICES program that can be reduced. The fleet will no longer be leasing certain pieces of equipment next biennium, so lease/rental of equipment can be reduced by $\$ 126,200$. Also, insurance can be reduced by $\$ 800,000$ because the fleet will not have to make risk management payments next biennium.

At this time I'd like you to look as page 5. This schedule shows the appropriation impact of four pieces of legislation. These bills are HB 1291, which pertains to a graduated drivers' license; HB 1380, which pertains to funding for public transportation; SB 2267, which reestablishes the special roads fund; and SB 2406, which relates to driving without liability insurance. If any of these bills passes, it would require an addition to our appropriation as indicated on the schedule.

Finally, you have a set of charts (pages 6 and 7) showing the total effect of the changes that we have proposed to you today and the effects of the pending legislation. This includes SB 2406, which provides $\$ 809,500$ in revenue; HB 1291, which provides $\$ 105,590$ in revenue; and HB 1380, which provides $\$ 1,348,000$ in additional revenue. Looking at the chart labeled All-Inclusive Department of Transportation Funding (page 6), you can see that NDDOT would have $\$ 623.6$ million available for transportation funding. The second chart (page 7), which reflects the all-inclusive NDDOT budget, shows that the proposed revenue structure would be about $\$ 9.6$ million short of funding our full proposed appropriation.

One last item should be noted. The House transferred approximately $\$ 7.2$ million generated from their cuts into the budget for highway contractor payments. NDDOT budgeted for a full construction program without transferring these additional funds into the construction budget. We do not need this additional spending authority. If the Senate were to remove this item from our budget, it would reduce the shortfall shown in the engrossed and all-inclusive DOT budget charts by $\$ 7.2$ million each.

# NORTH DAKOTA DEPARTMENT OF TRANSPORTATION 

House Appropriations Committee January 8, 1999

Keith Magnusson, Director
Driver \& Vehicle Services Division
Telephone 328-2727
Marsha Lembke, Director
Drivers License \& Traffic Safety Division
Telephone 328-4865

## DRIVERS LICENSE AND TRAFFIC SAFETY DIVISION

The NDDOT Drivers License and Traffic Safety Division promotes safety on state highways. We ensure that only qualified and competent people are licensed to drive, and educate the public with traffic safety programs designed to reduce traffic crashes and the associated deaths, injuries, and property damage. Our division has an effect on all the residents of North Dakota, and especially serves infants and children, drivers of all ages, law enforcement, and courts of law.

## In 1997, the Drivers License and Traffic Safety Division:

- was responsible for all driver license services for 452,000 North Dakota drivers
- administered 46,000 written tests and 19,000 road tests
- issued 22,000 permits, 29,000 licenses, 102,000 renewals, and 7,700 ID cards
- processed 315,000 requests for driving records
- processed 125,000 citations
- issued 24,000 suspension orders
- processed 19,000 crash reports

Financial responsibilities. Although our division doesn't make a profit, we generated about $\$ 2.4$ million during the first 11 months of 1998, through the collection of various licensing and suspension fees (see Exhibit 1). In addition, we administered $\$ 1.3$ million in federal grant dollars for traffic safety programs during the same period (see Exhibit 2). This includes the "Safe Communities" network of 12 North Dakota cities, and our statewide, multi-year, multi-agency "Do Buckle, Don't Booze" traffic safety campaign.

Safety is one of our division's main areas of activity. It's an issue that the public cares about on the local, state, and national levels. TRIP (The Road Information Program), a Washington, D. C. nonprofit organization, writes that "crashes cost [our] state $\$ 214$ million per year -- $\$ 336$ for each resident -- for emergency services, medical costs, property damage, and lost market productivity." The DL\&TS division works hard to keep North Dakota citizens safe on our highways.

- Crashes: There are about 17,000 traffic crashes each year in North Dakota. The number of licensed North Dakota drivers and miles driven increases each year. This increase means a rise in the number of renewals and in written, vision, and road tests, and, sadly, also in the number of crashes. With the passage of TEA-21, we'll receive more federal traffic safety dollars and will be able to apply for additional grants to help combat the increase in crashes (see North Dakota Traffic Trends: 1988-1997 attached).
- Injuries: In these crashes, more than 6,000 people are injured each year
- Deaths: An average of 88 people die in North Dakota each year as a result of traffic crashes: (1994:88, 1995:74; 1996:85: 1997: 105; and 1998:91)
- Our division produces a monthly "Do Buckle, Don't Booze" newsletter which goes to our 12 Safe Community program directors and to law enforcement offices across the state. We also disseminate news and information on other traffic safety issues.

Our plans for the future. In the past, legislators have encouraged us to be creative and innovative. We are proud to be on the cutting edge of technical advances: North Dakota is recognized as a leader in licensing technology and streamlining.
" "Smart card." We're looking at a way to make the drivers license a "smart card" containing pertinent information that will be used by other state agencies and programs.

- Bringing courts on-line. We're bringing major courts on-line with our licensing database.
- Licensing automation. We maintain operations of 44 licensing sites: 26 automated, 18 nonautomated. The automated sites provide full service to commercial and non-commercial applicants, and issue documents instantly. Non-automated sites provide limited service (see Exhibit 3). One of our goals is to automate all licensing sites so that all citizens can enjoy the instant issue of their license, and may also purchase a driving record or obtain reinstatement of their license without having to contact the central office in Bismarck. We're researching how we might offer these advanced services most effectively for the least capital investment.
- Licensing site reallocation. Some site visitations are growing and some are shrinking (see Exhibit 4). We financially support examiner teams (mileage, per diem, etc.) to travel on a regular schedule to infrequently visited sites. At times, these traveling teams spend a whole day in one area to serve only a handful of customers (without being able to offer instant-issue service), while customers at sites with increased visitation wait in longer lines because we don't have enough staff there. If we remember that our main purpose is to serve the citizens of North Dakota with hospitality, efficiency, and the good service they deserve, the need for change becomes evident.


## WORKLOAD/REVENUE 1994-1998

|  | 1994 | 1095 | 1996 | 199\% | $19 \% 8$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Dollars Colleeted | \$2,341,687 | \$2,309,220 | \$2,419,797 | \$2,433,090 | \$2,443,167 |
| 1)icensed Drivers | 439,330 | 448,781 | 449,225 | 452.163 | 454,933 |
| Volitiont Processed | 112,891 | 119,430 | 137,489 | 125,083 | 135,713 |
| Corast Refints Processed | 16,977 | 15,125 | 16,300 | 19,093 | 17,430 |
| Recoral Requests | 292,328 | 302,519 | 314,252 | 317,837 | 324,681 |
| Suspenmiont Revocat tions) (alleellations Processed | 21,819 | $22,696$ | $23,168$ | $23,942$ | 24.940 |

WORKLOAD/TOTAL TRANSACTIONS
June 1 through June 30

|  | 1994.1995 | 1995-1596 | $19 \% 5419 \%$ | 1997\%1938 |
| :---: | :---: | :---: | :---: | :---: |
| 1 İense Rentewals | 98,341 | 97,803 | 101,507 | 101,765 |
| Written lesis | 68,611 | 65.468 | 63,887 | 63.628 |
| Road ITests | 30,141 | 30,363 | 28,513 | 32,326 |
| Vision Tests | 130,110 | 127,388 | 129,663 | 131.920 |

## HIGHWAY SAFETY PLAN

## The Highway Safety Plan

The following program areas are defined in North Dakota's annual Highway Safety Plan. This document outlines the projects planned for the current fiscal year to reduce the number of traffic crashes on North Dakota traffic ways and the deaths, injuries, and property damage caused by them. All contractors are reimbursed with federal highway safety grant dollars through this office.

North Dakota has received \$1,097,878 federal grant dollars to fund its 1999 Highway Safety Plan. An additional $\$ 329,200$ was received this year for funding special alcohol incentive programs.

## PLANNING \& ADMINISTRATION

POLICE TRAFFIC SERVICES
EMERGENCY MEDICAL SERVICES

TRAFFIC RECORDS
OCCUPANT PROTECTION
MOTORCYCLE SAFETY
ROADWAY SAFETY
ALCOHOL COUNTERMEASURES/YOUTH PROGRAMS
SAFE COMMUNITY PROGRAMS:

Bismarck/Mandan
Devils Lake
Dickinson
Fargo
Grand Forks
Jamestown

Minot
Williston
Spirit Lake
Standing Rock
Turtle Mountain
Three Affiliated Tribes

## HIGHWAY SAFETY PLAN

The Highway Safety Plan (HSP) Process:
Our planning process involves these steps:

Identify Traffic Safety Problems

Compile a summary of motor vehicle crash reports
Review data from other sources (see Page 3)
Look for over-representation trends
Compare ND data to national data

Establish Performance Goals and Objectives<br>Invitation to submit proposals from traffic safety (TS) partners (see Page 4)<br>Review and recommendations by TS program managers<br>Establish goals, objectives, and project priorities during Strategic Planning Session

Develop the Programs/Projects for the HSP
Program managers draft PSP sections for the HSP
HSP is finalized and submitted to National Highway Traffic Safety Administration (NHTSA) and Federal Highway Administration (FHWA)

Write contracts based on proposals or Requests for Proposal (RFP)
Program managers write contracts for approved proposals
Program managers secure audits for review and required Risk Management documents
Contracts are processed
Manage contracts
Program managers monitor contracts, inventory equipment
Program managers provide technical support for activities
Review and reimbursement of vouchers for costs incurred

## Evaluation

Review project file for completeness
Program manager prepares an evaluation report
HSP Evaluation document is prepared and submitted to NHTSA and FHWA



[^0]
## NON-AUTOMATED SITES

The following are examples of services we are unable to provide because we do not have access to the driver records.

- We are unable to replace lost permits, licenses, or identification cards because we cannot verify the applicant has an existing document.
- We cannot renew or issue duplicate commercial licenses, make name or address corrections, add endorsements, etc., because we cannot issue a 30-day temporary nonphoto permit to a commercial driver.
- We cannot issue any permanent card to an applicant because we are unable to verify the applicant's status.
- We have a number of individuals who contact us stating that they never received a document. This causes both a security issue (one license/one driver) and poor public service. If the license or permit is not received within a week from the site visit, the calls from the public start coming in, questioning why they haven't received it.
- We are unable to process permits at a non-automated site or reschedule road test appointments. The driver must wait until the permit is received in the mail before they can drive.
- We are unable to do federally-mandated commercial driver license or problem driver pointer checks, and yet we issue 30-day non-commercial driving authority when the driver is not entitled to any privileges.
- Each individual's application must be handled at least twice: once at the non-automated site; and once at an automated site. We have noted a decrease in the accuracy of the data collected at the non-automated sites as we have no way of verifying the application data with our existing record when the applicant is not present.
- We are susceptible to losing the individual's captured photos and signature which requires the applicant to return to another site to have their image retaken.
- We are unable to provide service to an individual who has any pending actions such as vision, medical, or training requirements because we have no access to the driver's history.
- We cannot issue any 'immediate' document or identification, regardless of how urgent the need.


## TRANSACTIONS (PEOPLE) PER YEAR

July 1 through June 30
(Automated Sites Indicated by *)

| Northeast |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | 1994-1995 | 1995-199\% | 1996.1597 | 1997M9\% |
| Grand forls\% | 18,116 | 20,696 | 18,669 | 22,352 |
| Devils Lameet | 5,954 | 6.668 | 7,015 | 6,774 |
| Craftart | 2,676 | 3,084 | 3,415 | 3,588 |
| Mayillet | 1,052 | 1.176 | 1,182 | 1,152 |
| Inıgloat | 745 | 1,006 | 950 | 1,128 |
| Carringtor* | 642 | 766 | 729 | 781 |
| Cavater | 1,026 | 632 | 650 | 621 |
| Cooperstovir | 520 | 371 | 444 | 499 |
| Nev: Romlorit | 305 | 301 | 257 | 301 |

North Central

|  | 1994-1995 | 1995-1996 | 1995.1997 | 1997\%1998 |
| :---: | :---: | :---: | :---: | :---: |
| Rella* | 1,287 | 1,547 | 1,721 | 1,946 |
| Bottineau* | 1,326 | 1,397 | 1,381 | 1.473 |
| Hartey* | 1,128 | 1,206 | 1,194 | 1,244 |
| Ragby* | 1,022 | 1,156 | 1,190 | 1.251 |
| Cando | 181 | 152 | 144 | 146 |

## EXHIBIT 4

Page 2 of 3
TRANSACTIONS (PEOPLE) PER YEAR
July 1 through June 30
(Automated Sites Indicated by *)
Northwest

|  | 1994-1995 | 1995-1996 | 1996.199\% | 1997.1998 |
| :---: | :---: | :---: | :---: | :---: |
| Mimot* | 17,820 | 21,352 | 21,309 | 21,841 |
| Wiliston* | 5,336 | 6,303 | 6,532 | 6,670 |
| Watioul City* | 474 | 558 | 527 | 555 |
| Crusins* | 355 | 300 | 401 | 364 |
| Stanley* | 273 | 356 | 322 | 273 |
| Bowhells | 301 | 275 | 266 | 267 |
| Mev. Town | 318 | 205 | 228 | 236 |

Southeast

|  | 199441995 | 1995-1994 | 19\%\%.19\%7 | 199\%10\%\% |
| :---: | :---: | :---: | :---: | :---: |
| Fargot | 29,964 | 34,218 | 36,558 | 38,941 |
| Jamestownt | 7.409 | 8,554 | 9.151 | 9074 |
| Whapetost. | 2,969 | 3,479 | 3,528 | 3,750 |
| Valley City* | 2,466 | 2,497 | 2,504 | 2,737 |
| Oakes* | 900 | 1,108 | 1,063 | 1,131 |
| Lisbor | 929 | 672 | 767 | 742 |
| Forman | 803 | 510 | 539 | 587 |
| LaMoure | 355 | 284 | 310 | 323 |

## TRANSACTIONS (PEOPLE) PER YEAR <br> July 1 through June 30

(Automated Sites Indicated by *)
South Central

|  | 1994-1995 | 1995-159\% | 1996-1997 | 1997-1998 |
| :---: | :---: | :---: | :---: | :---: |
| Bismarekt | 25,709 | 30,730 | 32,603 | 33,028 |
| Carsont | 368 | 559 | 556 | 579 |
| limtor | 665 | 429 | 470 | 554 |
| Wisterkt | 417 | 583 | 527 | 488 |
| Washburt | 414 | 320 | 321 | 360 |
| Gatrson | 371 | 321 | 338 | 340 |
| Steete | 351 | 300 | 313 | 349 |
| Athley | 320 | 281 | 265 | 319 |
| Hebron | 249 | 130 | 140 | 106 |

Southwest

|  | 1994-1995 | 1955 -1996 | 1996.1997 | 1997,1998 |
| :---: | :---: | :---: | :---: | :---: |
| Dickinsan* | 7,938 | 9,090 | 9,526 | 9,687 |
| Benlah* | 1,201 | 1,575 | 1,495 | 1.482 |
| Bownmat | 830 | 975 | 948 | 929 |
| Hazen | 464 | 414 | 464 | 437 |
| Mott | 300 | 175 | 173 | 139 |
| Hetringer | 0 | 0 | 0 | 114 |

# North Dakota Department of Transportation Marsha Lembke, Director, Drivers License and Traffic Safety Division 

HB 1012

The Drivers License and Traffic Safety Division (DL\&TS) is part of NDDOT's Office of Driver and Vehicle Services. Because we serve all the residents of North Dakota, including infants and children, drivers of all ages, law enforcement officers, and courts of law, DL\&TS is the department's front line. We are dedicated to serving our customers with hospitality. We ensure that only qualified and competent people are licensed to drive, and we educate the public with traffic safety programs designed to reduce traffic crashes and the associated deaths, injuries, and property damage.

The division is responsible for driver's license services to 452,000 North Dakota drivers. The handout I distributed at last week's hearing contains details about our services and financial responsibilities.

Special acknowledgment and thanks go to Marshall Moore, Tom Freier, and Keith Magnusson for their support in allowing us to move forward to enhance our customer service. They have allowed us to offer a training session to our employees, recognize their outstanding performance, and streamline service to our customers. However, none of my ideas or top management support outweigh the dedication and hard work of all the DL\&TS staff-especially the supervisors.

As you look at the budget items for DL\&TS, it is obvious that staffing is the largest item. I am here today to ask for your support in the budget request for this biennium. We are not asking for an increase in FTEs but, in order to offer the best service through hospitality, we need to keep the positions we have and enhance what we can offer our customers. As noted in the handout, we processed 315,000 driving record requests and 125,000 citations in 1998. We also issued 24,000 suspension orders, which equates to 200 suspensions processed per day. All this activity is generated by about 600 pieces of mail opened per day, and translates into approximately 1,500 telephone calls per week. By the way, we also return driving privileges to citizens who complete the necessary requirements. The recognition needs to go to our suspensions and records staff for the workload they all share. Using technology and driver improvement techniques, we plan to manage our workload and still meet the customers' needs.

During the 1995-1997 biennium, DL\&TS implemented a digitized driver's license system. This system produces a hard, plastic drivers license with new security features and a much better photo. Many licensing and testing sites, and the eight major offices, were automated to provide better service, especially for commercial truckers. We are now required to check a national database before issuing or renewing a commercial drivers license (CDL). This is impossible in an instant-issue system without automation. All of these improvements were accomplished without a fee increase or budget increase. For this biennium, we have requested automation of up to ten
additional sites. This would let us better serve the public, especially CDL drivers and people moving in from other states. Please see Exhibit 3 of the handout from last week.

Safety is one of our division's main areas of activity. As Director Moore testified earlier, it's an issue that the public cares about on the local, state, and national level. Further details regarding crashes, injuries, and deaths on our highways are in the handout. I am especially pleased to describe a campaign for safety that we implemented last spring, called "Do Buckle, Don't Booze." NDDOT, in cooperation with law enforcement, coordinates this campaign to remind the public that using safety belts and not drinking while driving can save lives, injuries, and property damage costs. Our goal is to reduce alcohol-related fatalities by 10 percent by the end of 1999, and increase the use of seat belts to 60 percent by 2000. Our plans for this campaign and other goals can be seen in more detail in the handout.

We will continue to enhance customer service through hospitality. How we act and react determines, in part, how NDDOT is perceived by the public. Most citizens only care about what they see from the front-line service provider. If we improve the ability of our front-line personnel to deliver service, we automatically increase customer satisfaction. Unlike the private sector, governmental programs rarely offer choices or multiple providers. We are the only place to obtain a driver's license, and the only thing we have to offer is service.

# HOUSE APPROPRIATIONS COMMITTEE <br> Government Operations Division <br> January 15, 1999 

North Dakota Department of Transportation Keith Kiser, Director, Motor Vehicle Division

HB 1012

The Motor Vehicle Division administers all programs relating to the titling and registration of vehicles. The division is responsible for the regulation of motor vehicle dealers, interstate motor carriers, mobility impaired parking privileges, and intrastate household goods carriers. In 1998, the division processed more than $1,000,000$ customer transactions, and collected and distributed $\$ 100,000,000$ for various state government agencies. The division is responsible for maintaining and making available records created because of the various activities of the division. In 1998, the division required $\$ 3$ million, or 3 percent of the collections, for operating expenses. Most of these expenses were for postage, telephone, supplies, license plates, and staff.

The Motor Vehicle Division serves the public at our central office in Bismarck, 13 branch offices located throughout the state, by mail, by fax, and by e-mail. Five of the branch offices also provide partial registration services to interstate motor carriers, so they are no longer required to come to Bismarck to obtain their necessary credentials. The department has located the branch offices within the same building as driver license testing sites at Dickinson, Minot, Devils lake, Grafton, Jamestown, and Valley City. The Motor Vehicle branch offices are all privatized operations that result in decreased operational costs for the division.

The division is continuing with its effort to re-engineer our customer service delivery system, including a new computer system. Although this project has not yet been fully completed, progress toward completion continues. Significant key components have been completed and are currently being used. Completion of the project will position the division for enhanced customer service delivery well into the next millennium. Delays in completing this project have not adversely affected the public, and costs associated with the delay are being paid entirely by the contractor. Although we are all disappointed with the project delays, we continue to insist that the contractor meet all terms of the contract, and refuse to accept a substandard system in order to speed final delivery.

The Motor Vehicle Division budget contains two performance measures dealing with titling and registering vehicles. Because the general economy of the state directly affects the volume of business processed by the division, it is difficult to accurately estimate growth or decline in titles and registrations. However, based on recent history, we are projecting a 1 percent growth in registration and title revenue for the next biennium.

The budget request for the Motor Vehicle Division includes a $\$ 2.8$ million enhancement for new license plates. If the enhancement is approved, new license plates will be issued to vehicle owners when they renew their vehicle registrations for the year 2000.

A portion of the DOT's revenue forecast for the next biennium is based on additional revenue derived from a proposed registration fee increase on most vehicles. During the DOT overview hearing held last week, Chairman Dalrymple asked that we provide a history of recent vehicle registration fee increases. The following table details the fee increases enacted over the past twenty years.

VEHICLE REGISTRATION FEE INCREASE HISTORY

| YEAR | SESSION LAW <br> REFERENCE | COMMENTS |
| :--- | :--- | :--- |
| 1977 | Chapters 328 and 336 | Passenger vehicle fees were increased \$5; pickups and <br> small trucks were increased \$4 to \$7; farm trucks were <br> increased \$10; large non-farm trucks were increased \$14 <br> to \$20. |
| 1981 | Chapter 383 | Passenger vehicles and pickups were increased \$5; small <br> trucks were increased \$10; farm and non-farm trucks were <br> increased \$10 to \$25. |
| 1983 | Chapter 422 | Passenger vehicles were increased \$1 to \$20; pickups <br> were increased \$1 to \$11; small trucks were increased \$2 <br> to \$5; farm truck fees were not changed; large truck fees <br> were REDUCED by \$17 to \$258. |
| 1987 | Chapters 18 and 453 | Most vehicle registrations were increased by \$6. \$1 of the <br> increase went to repay the cost of issuing new license <br> plates. This fee became ineffective after two years. \$1.75 <br> of the \$5 increase went to the Centennial Celebration Fee <br> Fund during 1988 only. After that, all of the \$5 increase <br> has been going into the Highway Tax Distribution Fund. |

# HOUSE APPROPRIATIONS COMMITTEE 

## Government Operations Division

January 15, 1999

North Dakota Department of Transportation Paul Feyereisen, Director, State Fleet Services Division

HB 1012

The State Fleet has 2,621 licensed motor vehicles used by 60 state agencies, 11 universities, and 11 extension and research centers. During FY 1997, fleet vehicles traveled 37.7 million miles.

We monitor the use of all state fleet vehicles. By identifying low yearly use, we can reduce the number of state vehicles. In the past several years, we have reduced our fleet by several hundred vehicles, which has saved the state several millions of dollars in replacement and operating expenses. We hope to reduce low-use vehicles by another percent this next biennium.

Agencies and institutions continue to share specialty vehicles. Pickups and utility vehicles are used jointly, by season. Other specialty vehicles are shared as in the past. The number of fullsized vehicles continues to decrease as we replace them with compact vehicles, decreasing vehicle capital cost and operating expenses. During the 1999-01 biennium, we expect to downsize at least an additional 10 percent.

Our depreciation schedule lets us maximize vehicle use and retain a good salvage value. We have a reputation for offering well-maintained vehicles. Our eight 1998 auctions returned $\$ 1.7$ million.

Daily pools at eight locations maximize vehicle use. These vehicles are driven as many as 32,000 miles per year through daily dispatch. This is a cost-effective way to provide transportation to state agencies and institutions. Our goal is to increase our daily pool fleet in the next two years by at least 5 percent. This should decrease personal vehicle mileage reimbursement.

Our budget is increased by $\$ 4,046,370$ for the next biennium. About half the increase is the result of inflation. The rest is a one-time adjustment for equipment purchases, for these reasons:

- Because of past increases in vehicle costs and use, State Fleet has not been able to meet its depreciation (replacement) schedule.
- In 1995, manufacturers eliminated fleet discounts and prices rose an average of 16 percent.
- Since 1995 , additional employees have been added to state agencies.
- In 1995, university vehicles were transferred to the fleet. Until now, the cost of the transfer was unknown, resulting in a shortage of funds to maintain the current depreciation schedule.

In September 1997, we contracted with a vendor to manage our fuel program. Today our contractor buys gasoline and diesel fuel from local wholesalers, places it in our state fuel tanks, maintains the inventory, and bills us as we pump the fuel. They gave us a MasterCard to use at state and commercial fuel sites, and bill us about twice a month, compared to hundreds of billings before this contract. Our credit card is acceptable in-state and out-of-state. All this effort has eliminated hundreds of work-hours.

NDDOT STATE FLEET SERVICES DIVISION LICENSED MOTOR VEHICLES DEPRECIATION SCHEDULE

January 1, 1999


NDDOT STATE FLEET SERVICES RENTAL RATES
January 1, 1999

| sisecrintion | ramiti. HEXHCzES IN Grous | SROUH No | APERATHR RATE |  |  | Mil T4TH: |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Mini Pass. Van | 147 | 1 | 086 | . 116 | 068 | 270 |
| Compact Sedan/Wagon | 503 | 2 | . 050 | 084 | 056 | . 190 |
| . 5 T Pickup | 84 | 3 | 134 | . 166 | . 060 | 360 |
| . 7 T Pickup | 150 | 4 | 164 | . 104 | . 122 | 390 |
| 1 T Pickup/Cargo Van/All | 144 | 5 | 141 | 084 | 175 | 400 |
| Utility Diesel/All | 26 | 6 | 111 | 092 | . 067 | . 270 |
| Highway Patrol Unit | 143 | 7 | 104 | . 117 | 059 | 280 |
| 12-15 Pass. Vans | 104 | 8 | 118 | . 135 | . 147 | 400 |
| Game Enforcement Unit | 31 | 9 | 128 | . 084 | . 038 | . 250 |
| Mini-Cargo Van/Compact Pickup/All | 204 | 10 | 110 | . 075 | . 095 | 280 |
| Mid-size Sedan/Wagon | 57 | 11 | 082 | . 120 | 048 | 250 |
| Facility Service Vehicle | 251 | 12 | 288 | 225 | . 187 | . 700 |
| Compact Utility/All | 136 | 13 | 089 | . 140 | . 141 | . 370 |
| Suburban/Full-size Utility/All | 100 | 14 | . 105 | . 149 | . 126 | .380 |
| Pickup Diesel - Heavy Tow |  | 15 | . 120 | . 150 | 020 | . 290 |
| Miscellaneous Truck | 83 | 18 | 16.280 | . 100 |  | 16.380 |
| Distributor/Garbage Truck | 18 | 19 | 10.960 | 9.070 | 11.970 | 32.000 |
| Sign Truck | 20 | 20 | 7.350 | 8.130 | 11.520 | 27.000 |
| Single Axle Truck/All | 186 | 21 | 11.000 | 6.150 | 850 | 18.000 |
| Tandem Axle Truck/All | 151 | 22 | 10.000 | 5.140 | 2.860 | 18.000 |
| Truck Tractor | 13 | 23 | 15.000 | 3.580 |  | 18.580 |
| Rotary Snowplow | 19 | 24 | 56.000 | 6.000 |  | 62.000 |
| Snowplow Truck/AWD | 12 | 25 | 46.000 |  |  | 46.000 |
| Motor Coach | 6 | 26 | 35.000 | 7.530 |  | 42.530 |
| Truck Tractor DSU | 8 | 27 | 13.150 | 18.720 |  | 31.870 |
| Mid-size Bus | 10 | 28 | 12.000 | 11.820 | 7.180 | 31.000 |
| Lineworker Truck | 5 | 29 | 6.250 | 6.550 |  | 12.800 |
| Shuttle Bus | 4 | 30 | 9.670 | 2.030 |  | 11.700 |
| Fuel Truck | 3 | 31 | 2.250 | 2.370 | 1.380 | 6.000 |
| Drill Truck | 3 | 32 | 71.810 |  | 60.190 | 132.000 |
| TOTAL VEHICLES | 2621 |  |  |  |  |  |

## FLEET SERVICES - GASOLINE PRICES AND MOTOR POOL RATES

## GASOLINE PRICE

The price paid for gasoline by Fleet Services since June 1997 has ranged from 92 cents per gallon in June 1997 to a low of 59 cents per gallon in December 1998. The price in January 1999 is 65 cents per gallon.

Regarding the gas price assumption used in the motor pool rates developed by Fleet Services for inclusion in 1999-2001 budget guidelines, representatives of Fleet Services indicate that when the motor pool rates for the budget guidelines are developed a
specific fuel cost is not incorporated into the formula. Please refer to the correspondence from the Department of Transportation included as Appendix A.

## MOTOR POOL RATE SCHEDULES

The following schedule provides a comparison of the motor pool rates included in the budget guidelines used by agencies when preparing their 1999-2001 biennium budget requests to the rates effective on January 1, 1999, for select vehicle classes:

| Class | 1999-2001 Budget <br> Guidelines Per Mile Rate | January 1, 1999 <br> Per Mile Rate | Difference |
| :--- | :---: | :---: | :---: |
| Minipassenger van | .29 | .27 | .02 |
| Sedan/wagon | .23 | .19 | .04 |
| .5 ton pickup | .39 | .36 | .03 |
| .75 ton pickup | .45 | .39 | .06 |
| 1 ton pickup/cargo van | .46 | .40 | .06 |
| Utility diesel | .27 | .27 | .00 |
| Highway Patrol units | .39 | .28 | .11 |
| Game enforcement units | .28 | .25 | .03 |

For a listing of all motor pool vehicle class rates, please refer to Appendix B which includes the rates
included in the budget guidelines and the rates effective January 1, 1999.

ATTACH:2

## AGENCY YEAR 2000 REPORTING FORM

OFFICE OF MANAGEMENT AND BUDGET
INFORMATION SERVICES DIVISION
SFN 51799 (10-98)

| Agency: | Contact: | Phone: | Reporting Month/Year: <br> Department of Transportation |
| :--- | :--- | :--- | :--- |
|  | Doug Faiman (ITD Management) | $328-2561$ |  |
| Heather Liberda (Y2K Project | $328-2649$ |  |  |


| Project Phase | $\xrightarrow{\frac{\text { Not }}{\text { Noticable }}}$ | $\underline{{ }_{\text {Started }}^{\text {Not }}}$ |  | $\frac{1 / 2}{\text { Done }}$ |  | Completed | $\begin{aligned} & \frac{\text { Estimated }}{\text { Phase }} \\ & \text { Start Date } \end{aligned}$ | $\begin{aligned} & \frac{\text { Estimated }}{\text { Phase }} \\ & \text { End Date } \end{aligned}$ | $\frac{\text { Actual Phase }}{\text { Start Date }}$ | $\frac{\text { Phase Enc }}{\text { Date }}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Year 2000 Plan developed | n/a | 1 | 2 | 3 | 4 | $5$ | 04/98 | 06/98 | 04/98 | 05/98 |
| Inventory \& Assessment Phase |  |  |  |  |  |  |  |  |  |  |
| Development |  |  |  |  |  |  |  |  | OS/88 | 02/9 |
| Licensed Software | n/a | 1 | 2 | 3 | 4 | (5) | 05/98 | 01/00 | 05/98 | 03/99 |
| Computer Hardware | n/a | 1 | 2 | 3 | 4 | 5 | 05/98 | 01/00 | 05/98 | 02/99 |
| Embedded Technologies | n/a | 1 | 2 | 3 | 4 | 5 | 05/98 | 01/00 | 05/98 | n/a |
| Analysis \& Planning Phase Internal Appl. | n/a | 1 | 2 | (3) | 4 | 5 | 09/98 | 04/99 | 10/98 | n/a |
| Development |  |  |  |  |  |  |  |  |  |  |
| Licensed Software | $\mathrm{n} / \mathrm{a}$ | 1 | 2 | 3 | (4) | 5 | 08/98 | 03/99 | 08/98 | n/a |
| Computer Hardware | n/a | 1 | 2 | 3 | 4 | (5) | 05/98 | 01/99 | 05/98 | 02/99 |
| Embedded Technologies | n/a | 1 | 2 | 3 | 4 | 5 | 05/98 | 03/99 | 05/98 | $\mathrm{n} / \mathrm{a}$ |
| Conversion \& Testing Phase |  |  |  |  |  |  |  |  |  |  |
| Internal Appl. | n/a | 1 | 2 | 3 | 4 | 5 | 01/99 | 06/99 | 10/98 | $\mathrm{n} / \mathrm{a}$ |
| Development |  |  |  |  |  |  |  |  |  |  |
| Licensed Software | n/a | 1 | 2 | 3 | 4 | 5 | 01/99 | 05/99 | 10/98 | n/a |
| Computer Hardware | n/a | 1 | 2 | 3 | 4 | 5 | 07/98 | 03/99 | 07.98 | 03/99 |
| Embedded Technologies | n/a | 1 | 2 | 3 | 4 | 5 | 01/99 | 07/99 | 01/99 | n/a |
| Implementation Phase |  |  |  |  |  |  |  |  |  |  |
| Internal Appl. | n/a | 1 | 2 | 3 | 4 | 5 | 04/99 | 10/99 | 01/99 | n/a |
| Development |  |  |  |  |  |  |  |  |  |  |
| Licensed Software | n/a | 1 | 2 | 3 | 4 | 5 | 04/99 | 07/99 | 01/99 | n/a |
| Computer Hardware | n/a | 1 | 2 | 3 | (4) | 5 | 07/98 | 07/99 | 07/98 | n/a |
| Embedded Technologies | n/a | 1 | (2) | 3 | 4 | 5 | 05/99 | 09/99 | 01/99 | n/a |
| Agency Certification Letter |  | No | Yes |  |  |  |  |  |  |  |



| FARIS |  | lompliant. This item <br> will be advanced to a 5 <br> when code is completed. <br> All changes have been <br> transferred into |
| :--- | :--- | :--- | :--- |
| production. |  |  |

## Overall Notes:

The Estimated Phase Start and End Dates, and the completion by phase numbers overlap one another to reflect that a certain phase can start before the previous phase has finished. For example, the inventory phase itself does not need to be completed to begin the analysis of any particular item.

Internal Application Development, in the DOT's definition includes all internally developed programs - no matter what the size or scope. Thus, the inventory includes everything from PowerBuilder applications to small dBase IV programs. Mainframe systems were excluded as ISD is completing the conversion.

Additional Note: The information provided is subject to change. Any changes will be reflected in the next monthly status report issued to ISD.

February Notes:
NDDOT has completed the inventory of software. Obsolete programs are being removed. Patches are being installed where appropriate.

The division/districts within NDDOT are charged with the responsibility of gathering the compliance information for embedded systems that are under their control. Progress has been made on this task. The phases for embedded systems will be advanced after the documentation has been received by the Information Technology Division which is heading up the project.

The only remaining hardware to be upgraded is one imaging server and some laptops. (Note: the laptops will be replaced later this biennium with newer, pentium based units).

LEGISLATIVE COUNCIL
FEBRUARY 19. 1999

## ANALYSIS OF LEGISLATIVE CHANGES

AS OF FEBRUARY 18, 1999


| $\begin{aligned} & \text { EXECUTIVE } \\ & \text { BUDGET } \end{aligned}$ | HOUSE <br> VERSION | HOUSE <br> DIFF TO EXEC BUOGET | SENATE <br> VERSION | SENATE <br> 01FF TO EXEC BUDGET |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 26,902,044 | 25,797,360 | 1,104,684- | 0 | $0+$ | $0+$ |
| 10,646,562 | 7,413,072 | 3,233,490- | 0 | $0+$ | ${ }_{0}+$ |
| 9,352,175 | 9,281,759 | 70,416- | 0 | $0+$ | $0+$ |
| 553,629,335 | 553,523,851 | 105,484- | 0 | $0+$ | $8+$ |
| 34,708,905 | 34,677,551 | 31,354- | 0 | $\theta+$ | $0+$ |
| 635,239,021 | 630,693,593 | 4,545,428- | 0 | 0 | $0+$ |
| 635,239,021 | 630,693,593 | 4,545,428- | 0 | $0+$ | $0+$ |
| 0 | 0 | O+ | 0 | 0 | $0+$ |
| 635,239,021 | 630,693,593 | 4,545,428- | 0 | $0+$ | $0+$ |
| 635,239,021 | 630,693,593 | 4,545,428- | 0 | $0+$ | $0+$ |
|  | $\bigcirc$ | O+ | 0 | $0+$ | $0+$ |

## STATEMENT OF PURPOSE OF AMENDMENT:

## DEPARTMENT 801 - DEPARTMENT OF TRANSPORTATION

HOUSE - This amendment makes the following changes:

|  | EXECUTIVE <br> BUDGET | HOUSE <br> CHANGES | HOUSE |
| :--- | ---: | ---: | ---: |
|  |  |  |  |
| VERSION |  |  |  |

Detail of House changes to the executive budget includes:

|  | $\begin{aligned} & \text { REDUCE } \\ & \text { COMPENSATION } \\ & \text { PACKAGE } \\ & \text { TO } 2 / 2 \end{aligned}$ | $\begin{aligned} & \text { ADJUST } \\ & \text { HEALTH } \\ & \text { INSURANCE } \\ & \text { COST } \end{aligned}$ | ```DELAY MARKET SALARY ADJUSTMENTS TO 1/1/2001``` | REMOVE <br> FUNDING <br> FOR NEW <br> LICENSE <br> plate issue |  | $\begin{aligned} & \text { REDUCE } \\ & \text { ENGEEERING } \\ & \text { MERIT } \\ & \text { INCREASES } \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Administration <br> Motor venicle <br> Oriver's license <br> Hignways <br> Fleet services | $\left.\begin{array}{r} (\$ 13.015) \\ 34.609 \\ 51.931 \\ (808.914 \\ 125.381 \end{array}\right\}$ | $\begin{array}{r} \$ 29.507 \\ 12.534 \\ 17.515 \\ 229.787 \\ 8,037 \\ \hline \end{array}$ | (\$27.586) ${ }^{1}$ | (\$2.827.623) ${ }^{2}$ | $(\$ 120.355)^{3}$ | \$200.000) ${ }^{4}$ |
| Total all funds | (\$1.033.850) | \$297.380 | (\$27.586) | (\$2.827.623) | (\$120.355) | \$200.000) |
| Less special tunds | (1,033,850) | 297,380 | (27,586) | (2,827,623) | 120.355) | $\underline{200.000)}$ |
| General fund | So | \$0 | \$0 | \$0 | \$0 | so |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
|  | REDUCE <br> CAPITAL <br> MPROVEMENTS | REDUCE GRANTS | $\begin{aligned} & \text { REMOVE } \\ & \text { VACANT } \\ & \text { POSITIONS } \end{aligned}$ | REDUCE PROGRAM FUNDING | $\begin{aligned} & \text { ADD } \\ & \text { HIGHAY } \\ & \text { CONSTRUCTION } \\ & \text { FUNDING } \end{aligned}$ | TOTAL HOUSE CHANGES |
| Acministration Motor venicie niver's incense grweys oet semces | (\$1.238.000) ${ }^{5}$ | (\$4.372.266) ${ }^{6}$ | $\begin{array}{r} \$ 110.977)^{7} \\ \underline{14.010)^{7}} \end{array}$ | $\begin{aligned} & (\$ 873.235)^{8} \\ & (383.792)^{9} \\ & (36.00)_{10} \\ & (800.000) 11 \end{aligned}$ | \$7.194.88612 | $\left.\begin{array}{r} (\$ 1.104 .684 \\ 3.233 .490 \\ 170.416 \\ 105.484 \\ 131.354 \end{array}\right)$ |
| Total all funds | (\$1.238.000) | (\$4.372.266) | (\$124.987) | (\$2.093.027) | \$7,194,886 | ( 54.545 .428 ) |
| Less special lunas | $(1,238,000)$ | (4,372,266) | (124,987) | (2,093,027) | (7, 194,886) | 4,545, 428) |
| General tund | \$0 | \$0 | \$0 | so | so | So |
| FTE | 0.00 | 0.00 | (2.00) | 0.00 | 0.00 | (2.00) |

House changes narrative:

In addition to the two percent annual salary increases, funding is included to provide a market equity salary increase of the following monthly amount to each of the listed positions for the final six months of the biennium:

MONTHLY
POSITION

| Director | $\$ 186.83$ |
| :--- | :--- |
| Deputy | $\$ 568.08$ |
| Deputy | $\$ 506.75$ |

2 Removes funding included in the executive budget for a new license plate issue during the 1999-2001 biennium.

3 Reduces funding from the highway fund for a teleconference system for the department's central office and its eight district offices. Funding of $\$ 41,725$ is provided for a pilot project involving three sites.

4 Reduces funding by $\$ 200,000$ from the highway fund, from $\$ 1,000,000$ to $\$ 800,000$, for merit increases for engineering positions.

Removes funding from the highway fund for capital improvements relating to replacing 12 section buildings. Funding of $\$ 619,000$ remains to replace six section buildings during the 1999-2001 biennium.

6 Removes federal funding for grants. The department no longer expects to receive federal funds from the Bureau of Indian Affairs to provide as grants to the Indian reservations. The federal funds will be provided directly to the reservations.
${ }^{7}$ Removes the following vacant positions:

> (1 FTE) Transportation management officer from the highways program
> $(1$ FTE) Auto service worker II from the highways program $(70 \%)$ and Fleet Services $(30 \%)$
> Total
(\$124,987)
${ }^{8}$ Administration program reductions include:

Information technology hardware Travel Driver's license site automation The executive budget included $\$ 100.000$ to automate 10 sites Indirect cost funding which was included in the executive budget but which will not be billed to the department by the Office of Management and Budget for the 1999-2001 biennium

Total
(\$330.000)

(\$873,235)
${ }^{9}$ Motor vehicie program reductions include:

Temporary and overtime salaries
Repairs
Operating fees and services
Total
(\$383,792)

Driver's license program reductions include:

Temporary and overtime salaries
(\$30,000)
(6,000)
Total
$(\$ 36,000)$
${ }^{11}$ Highways program reductions include:

Repairs
Office supplies
(\$200,000)
Maintenance supplies
Office equipment and furniture
100.000

Total
(250,000)
(250,000)
$(\$ 800,000)$

12 Highway fund reductions made to the department's budget are added to the highways program for providing additional funding for highway construction.

The schedule beiow presents the funding sources for the department for the 1998-2001 biennium.

$$
\begin{aligned}
& \text { HOUSE } \\
& \text { CHANGES }
\end{aligned}
$$

| $\$ 230,742.666$ |
| ---: |
| 368.287 .450 |
| 1.500 .000 |
| $34,708,905$ |
| $\$ 635,239,021$ |

HOUSE
VERSION
$\$ 230.742 .666$
230.742 .566
363.773 .376
$\begin{array}{r}1.500,000 \\ 34,677,551 \\ \hline\end{array}$
$\$ 630.683 .593$

Department 801 - Department of Transportation House Bill No. 1012
$\begin{array}{r}1.042 .00 \\ 1.042 .00 \\ \hline 0.00\end{array}$

General
Fund

Other

| Funds | Total |
| :---: | ---: |
| $\$ 635,239,021$ | $\$ 635,239,021$ |
| $465,552,778$ | $465,552,778$ |
| $\$ 169,686,243$ | $\$ 169,686,243$ |.

- In addition, this amount has been increased by $\$ 93,503,756$ as a result of Emergency Commission action during the $1997-99$ biennium.

Major Items Affecting Department of Transportation 1999-2001 Budget

## General Fund

Administration

1. Adds funding from the highway fund for salary equity adjustments for the director and

## Other Funds

2 deputies (The House reduced this amount by $\$ 27586$ to delay these increases to January 1, 2001.)
2. Funding changes associated with continuing administrative division operations include:

| $\$ 0$ | $\$ 635,239,021$ | $\$ 635,239,021$ |
| ---: | ---: | ---: |
| 0 | 465.552 .778 | $465,552,778$ |
| $\$ 0$ | $\$ 169.686,243$ | $\$ 169,686,243$ |

General Fund
$\$ 35,270$
Total
$\$ 35.270$

Professional services
(\$2.007, 270)
Repairs
187,709
Grants
200,000
Other
108.494

Total
(\$1.511.067)
(The House reduced administrative program funding by additional $\$ 823.235$.)
3. Adds funding from asbestos lawsuit proceeds for asbestos abatement costs
4. Adds funding from the highway fund to automate an additional 10 driver's license sites. Currently, 26 of the 44 sites are automated. (The House reduced this amount by $\$ 50,000$.)
5. Adds funding for a teleconference system for the department's central office and its 162,080

162,080 8 district offices (The House reduced this amount by $\$ 120,355$.)

## Motor Vehicle

6. Furding changes associated with continuing Motor Vehicle Division operations include: 455,765

455,765

| Temporary salaries | $\$ 106,000$ |
| :--- | ---: |
| Operating fees and services | 143,396 |
| Repairs | 147,097 |
| Other | 59,272 |
| Total | $\$ 455,765$ |

(The House reduced motor vehicle program funding by $\$ 383,792$.)
7. Adds funding from the highway fund for a new license plate issue (The House 2,827,623
removed this funding.)

## Driver's License

8. Funding changes associated with continuing Driver's License Division operations include:

$$
179,508
$$

179,508

| Temporary/overtime salaries | $\$ 69,432$ |
| :--- | ---: |
| Professional services | 110,000 |
| Other | 76 |
| Total | $\$ 179,508$ |

(The House reduced driver's license program funding by $\$ 36,000$.)

## Highways

9. Funding changes associated with continuing the Highways Division operations include:
$(25,935,521)$

Professional services
( $\$ 15,336,834$ ) Lease/rental equipment

1,591,046 Maintenance supplies

1,527,983

## Repairs

Equipment
745,177
Capital improvements - Land and buildings
701,660
Capital improvements - Other
$(2,865,806)$
Grants
$(5,617,172)$
Other
$(8,158,055)$
Total
$(\$ 25,935,521)$
(The House reduced this funding by an additional $\$ 800,000$.)
10. Adds funding from the highway fund for merit increases for engineering positions
$1.000,000$
$1.000,000$
(The House reduced this funding by $\$ 200,000$.)
11 Increases funding for highway construction as a result of federal highway funds avarlable under the federal Transportation Equity Act for the 21 st Century (TEA21). Of the amount shown. $\$ 32,924,293$ is from the highway fund and $\$ 138,038,914$ is federal funds. (The House added $\$ 7.194,886$ of additional highway construction funding.)
12. Adds funding from the highway fund for purchasing workstations for 1 division in the 108,000 108.000 central office and 1 district
13. Adds funding from the highway fund to expand the Devils Lake shop

310,000
310.000

Adds funding from the highway fund to replace 7 additional section buildings. A total of 18 section buildings are planned to be replaced during the 1999-2001 biennium at an estimated cost of $\$ 1.857 .000$. (The House reduced this funding by $\$ 1,238,000$.)
15 Adds funding from the federal Bureau of Indian Affairs for grants (The House removed this funding.)

16 Adds federal funds for grants to the Upper Great Plains Transportation Institute

## Fleet Services

17. Funding changes associated with continuing Fleet Services Division operations include

Repairs
Vehicle maintenance supplies
\$1,116,050 $(599,399)$
Motor vehicle purchases 3.457.090

Other 277,354
Total

## Major Legislation Affecting Department of Transportation

1. House Bill No. 1130 continues the current 20 cents per gallon motor fuel tax rate (current law provides that the tax rate revert to 17 cents per gallon after December 31, 1999)
2. House Bill No. 1183 continues current motor vehicle registration fees (current law provides that effective June 30, 2000, the vehicle age categories of the rate schedules would each be reduced by one year), continues the 20 cents per gallon motor vehicle fuel tax rate (current law provides that the tax rate revert to 17 cents per gallon after December 31, 1999), and provides for a one cent per gallon increase in the motor vehicle fuel tax rate ( 21 cents per gallon) for the 1999-2001 biennium or until transfers from the highway tax distribution fund to the highway fund exceed $\$ 181,755,000$, whichever is earlier.
3. House Bill No. 1380 increases from $\$ 1$ to $\$ 2$ the motor vehicle registration fee deposited in the public transportation fund and available for grants to public transportation providers in the state. If this bill is approved, the public transportation fund appropriation included in House Bill No. 1012 should be increased by $\$ 1.5$ million, from $\$ 1.5$ million to $\$ 3$ million to provide for the additional funding available for grants.
4. House Bill No. 1462 changes the point of taxation on motor fuels.
5. Senate Bill No. 2267 provides that 60 percent of the highway fund's interest income be deposited in the special road fund for use in constructing and maintaining access roads to and roads within recreational, tourist, and historical areas.

# SENATE APPROPRIATIONS COMMITTEE March 9, 1999 

North Dakota Department of Transportation Financial Management Division Shannon L. Sauer, Director

CHARTS AND SCHEDULES

## Engrossed Version

## DEPARTMENT OF TRANSPORTATION FUNDING 1999-01 BIENNIUM



FEDERAL AID

| ITS GRANT | 1.4 |
| :--- | ---: |
| CONSTRUCTION | 351.0 |
| R.R. | 4.0 |
| SAFETY | 4.0 |
| BRANSIT | 2.9 |
| BIA | 0 |



HIGHWAY FUND REVENUE

REIMBURSEMENTS FROM
ASBESTOS ABATEMENT
MV COLLECTION FEES
5.

REIMBURSEMENT FR FLEET SERVICES
CITIES AND COUNTIES BUSING ASSISTANCE1.0

FOR THEIR SHARE OF FLEET SERVICES 1.5 INTEREST 34.7

CONSTRUCTION COSTS
HAY BIDS, ROAD MATERIALS, ETC.


RECOMMENDATION FOR HWY FUNDING PREPARED BY NDDOT FINANCIAL MANAGEMENT DIVISION

FREELANCE GRAPHICS
March 5, 1999
FILE REV99-0Q.PRE

## Engrossed Version



Schedule A
NORTH DAKOTA DEPARTMENT OF TRANSPORTATION HOUSE CHANGES AND REQUESTED SENATE AMENDMENTS

## 99-01 BIENNIUM




# NORTH DAKOTA DEPARTMENT OF TRANSPORTATION Explanation of DOT Request for Senate Amendments <br> 99-01 Biennium 

(a) The House reduced the budget for data processing by $\$ 330,000$. Due to increased ISD costs, the DOT would not be able to continue day to day operations and absorb the entire cut. We believe we can absorb a portion of this cut provided we continue to have the flexibility to rearrange our information technology division budget as needed to fund our activities. The DOT requests that $\$ 160,000$ of the House cut be restored.
(b) The House reduced the drivers license budget for temporary salaries by $\$ 30,000$. These salary funds are used for temporary licensing clerks. These dollars were included in our budget in lieu of requesting additional FTEs. Without these temporary employees, we will have difficulty maintaining current level of service. The DOT requests that the $\$ 30,000$ as cut by the House be restored.
(c) Subsequent to the preparation of the DOT budget, we found two areas where the fleet services budget should be reduced. We are requesting the fleet budget be reduced by $\$ 126,200$ for lease/rental of equipment and $\$ 800,000$ for insurance.
(d) The House reduced the budget for repairs in the highways program by $\$ 200,000$. This includes repair services for our bridges and highways and equipment. The present biennium budget for bridge and highway repairs have already been exhausted this biennium. The current levels are not adequate and we must increase this item to keep pace with the demand for repairs. The DOT requests that the $\$ 200,000$ cut by the House be restored.
(e) The House reduced the budget for office equipment and furniture by $\$ 250,000$ in the highways program. This item had been increased to cover the costs of federally funded engineering equipment. While cutting these increases will reduce our overall budget, it will only save about $\$ 50,000$ in state funds. This is because eighty percent of the requested increases would have been funded with federal funds that cannot be transferred to other categories. The DOT requests that the $\$ 250,000$ cut by the House be restored.
(f) The House reduced the budget for temporary salaries by $\$ 50,000$ in the motor vehicle program. These salaries are for temporary seasonal employees. The elimination of the general license plate issue does not reduce the need for these employees. The DOT requests that the $\$ 50,000$ cut by the House be restored.
(g) The House reduced the budget for repairs by $\$ 50,000$ in the motor vehicle program. This budget was intended for service contracts for the vehicle titling and registration system. The DOT requests that the $\$ 50,000$ cut by the House be restored.

# NORTH DAKOTA DEPARTMENT OF TRANSPORTATION requested amendments due to pending legislation 99-01 BIENNIUM 



## All Inclusive Version

## DEPARTMENT OF TRANSPORTATION FUNDING 1999-01 BIENNIUM

* REVENUE TO HWY DIST FUND

| GAS TAXES | $\$ 118.1$ |
| :--- | ---: |
| SPECIAL FUELS | 68.5 |
| SPECIAL FUELS EXCISE TAX | 9.1 |
| GASOHOL | 21.9 |
| M.V. REG FEE'S | 70.4 |
| POINT OF TAX | 2.2 |
| ETHANOL | $(1.2)$ |
| RES FUEL | $(.4)$ |

FEDERAL AID

| ITS GRANT | 1.4 |
| :--- | ---: |
| CONSTRUCTION | 351.0 |
| R.R. | 4.0 |
| SAFETY | 4.0 |
| TRANSIT | 2.9 |
| BIA | 0 |



REIMBURSEMENTS FROM
CITIES AND COUNTIES
ASBESTOS ABATEMENT
MV COLLECTION FEES
5.0

REIMBURSEMENT FRFLEET SERVICES
BUSING ASSISTANCE 2.8
FLEET SERVICES 2.8
33.8

INTEREST 33.8

FOR THEIR SHARE OF $3 .{ }^{.8}$
CONSTRUCTION COSTS


* FUND TRANSFERS HWY PATROL
13.2
623.6

RECOMMENDATION FOR HWY FUNDING PREPARED BY NDDOT FINANCIAL MANAGEMENT DIVISION

FREELANCE GRAPHICS
FILE REV99-01.PRE

## All Inclusive Version



## 1999-2001 ESTIMATED HIGHWAY FUND REVENUE COMPARISON OF VERSIONS

Major highway fund revenue:
Highway tax distribution fund
Gas tax and motor vehicle registration fees - Current law and HB 1130 (passed)

Gas tax/motor vehicle registration fees - HB 1183
Executive budget - Fuel tax at 20 cents per gallon and $\$ 18.3$ million of registration fee increases

House version - Fuel tax at 21 cents per gallon and 6,300,000 no increase in registration fees

Senate version - Fuel tax at 20 cents per gallon and $\$ 15.8$ million of registration fee increases

Motor vehicle division changes - HB 1012

## Executive

 Budget\$174,100,000
\$174,100,000
$\$ 174,100,000$
$\$ 174,100,000$

## House

 VersionSenate Version

Final Action to Date*

Additional fee for specific number plate - HB 1012
Ethanol incentive payments - HB 1019
Motorcycles and trailer registrations - HB 1312 (passed)
Point of taxation - HB 1462
Reservation fuel agreement

Total highway tax distribution fund revenue
Other major revenues not deposited in the distribution fund but directly in the highway fund, including licensing, fees, permits, interest, and miscellaneous

Related legislation affecting highway-related revenues:
Highway Patrol funding - HB 1011
Highway fund transfer to general fund - HB 1011
Department of Transportation budget changes - HB 1012
Additional fee for Lewis and Clark plate - HB 1012
Graduated driver's license - HB 1291 (passed)

Special road fund - SB 2267
Suspended driver's license fees - SB 2406 (passed)
Adjusted highway fund revenues available to Department of Transportation
$(1,343,160)$
$(50,400)$
$(50,400)$
$(50,400)$
$0^{3}$

| $1,386,000^{1}$ | $(806,400)^{2}$ | $0^{3}$ |  |
| ---: | ---: | ---: | ---: |
|  | $\frac{(189,000)}{}$ | $(189,000)$ | $(189,000)$ |
| $\$ 186,986,000$ | $\$ 180,664,231$ | $\$ 183,104,631$ | $\$ 173,860,600$ |

$34,200,000$
$34,900,000{ }^{4}$
$34,900,000$
$34,900,000{ }^{4}$

13,185,610)
$(100,000)$
3,206,371
100,000
44,000
$(900,000){ }^{4}$

|  | 810,000 | 810,000 | 810,000 |
| ---: | :--- | ---: | ---: |
|  | $\$ 208,000,390$ | $\$ 207,979,392$ | $\$ 209,614,600$ |

* The amounts shown in this column are only those that have been passed by both houses
${ }^{1}$ The 1999-2001 executive budget highway fund revenue estimate included an additional $\$ 1.4$ million resulting from the point of taxation change recommended by the Governor. Although the fiscal note on the bill (HB 1462) as introduced did not specify any additional highway tax distribution fund revenue as a result of this change, the fiscal note narrative indicated that the bill may result in additional highway tax distribution fund revenues of up to $\$ 2.5$ million for the 1999-2001 biennium.
${ }^{2}$ Although the fiscal note specifies a reduction of 1999-2001 biennium highway tax distribution fund revenues of $\$ 1,280,000$ as a result of the provisions of this bill, the Tax Department indicates that the bill may result in additional highway tax distribution fund revenues of up to $\$ 4.5$ million for the 1999-2001 biennium.
${ }^{3}$ Although the fiscal note does not identify a specific fiscal impact relating to this bill, the narrative on the fiscal note indicates that provisions of the bill may result in additional highway tax distribution fund revenues of up to $\$ 2$ million per biennium.

Reflects the department's revised interest income estimate of $\$ 1.5$ million, $\$ 700,000$ more than the original estimate of $\$ 800,000$.
NOTE: The schedule below presents estimated highway tax distribution fund payments to cities and counties under the various versions:

|  | $1997-99$ <br> Biennium** | Executive <br> Budget** $^{* *}$ | House <br> Version** | Senate <br> Version** | Final Action <br> to Date** |
| :--- | :---: | :---: | :---: | :---: | :---: |
| Payments to cities <br> and counties | $\$ 96.4$ | $\$ 109.8$ | $\$ 106.1$ | $\$ 107.5$ | $\$ 102.2$ |

- Amounts shown in millions


[^0]:    EXHIBIT 2
    Page 4 of

