

1997

**JOINT
APPROPRIATIONS -
TRANSPORTATION
COMMITTEE**

MINUTES

JOINT APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION
1997 SESSION
(Feb. 18 - April 8)
NORTH CAROLINA GENERAL ASSEMBLY

CO-CHAIRS

Senator Luther Jordan, Jr.
Representative Joanne W. Bowie
Representative Jerry Dockham
Representative Ed McMahan

FISCAL RESEARCH STAFF

Tony Goldman
Karl Knapp

STAFF ATTORNEY

Kenneth Levenbook

COMMITTEE CLERKS

Sharon Cram
Sharon Gaudette
Gloria Haywood

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APPROPRIATIONS - DEPARTMENT OF TRANSPORTATION

CHAIRMAN

Senator Luther H. Jordan, Jr.
Room 407
715-3034
Clerk: Gloria Haywood

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Charles S. Albertson
Room 525
733-5705
Clerk: Julia Birdsong

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Room 517
733-5875
Clerk: Helen Carpenter

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Room 2111
733-3460
Clerk: Becky Hedspeth

Senator Robert Rucho
Room 1113
733-5650
Clerk: Carole Walker

FISCAL RESEARCH

Karl Knapp
Tony Goldman
Room 619
733-4910

STAFF ATTORNEY

Kenneth Levenbook
715-5459

HOUSE APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION
1997 SESSION

<u>MEMBER</u>	TELEPHONE	OFFICE	SEAT
(<u>COMMITTEE CLERK</u>)			
Rep. Joanne Bowie, Co-Chair Sharon Gaudette	733-5853	1206	26
Rep. Jerry Dockham, Co-Chair Nell Edwards	733-5822	1106	18
Rep. Ed McMahan, Co-Chair Sharon Cram	733-5732	2213	28
Rep. Bobby Barbee Rosa Murray	733-5908	1025	74
Rep. Dan Blue Lin Threatt	715-2528	1227	80
Rep. Jim Gulley Lucille Carter	733-5860	1307	98
Rep. Thomas Hardaway Jan Brooks	733-5775	1323	56
Rep. Bill Hiatt Edna Pierce	733-5862	1008	14
Rep. Mary McAllister Annecia Norwood	733-5706	603	70
Rep. Richard T. Morgan Dixie Epps	715-3028	404	17
Rep. Drew P. Saunders Ruth Fish	733-5530	1017	110
Rep. Ronnie Sutton Juanita Coley	733-5782	1317	83
Rep. N. Leo Daughtry Bernice Bullard	715-0850	2301	30
Rep. Julia Craven Howard, Ex-Officio Member Gail Stewart	733-5904	1021	8
Rep. Stephen Wood, Ex-Officio Member Sylvia Perkins	733-5807	2208	12
Fiscal Research Staff Tony Goldman Karl Knapp	733-4910	619	
Staff Attorney Ken Levenbook	733-6660		



Joanne W. Bowie
Co-Chair



Jerry C. Dockham
Co-Chair



W. Edwin McMahan
Co-Chair



Bobby Harold Barbee, Sr.



Daniel T. Blue, Jr.



Jim Gulley



Thomas C. Hardaway



William S. Hiatt



Mary E. McAllister



Richard T. Morgan



Drew P. Saunders



Ronnie Sutton



N. Leo Daughtry
Majority Leader
Ex-Officio Member



Julia Craven Howard
Majority Whip
Ex-Officio Member



Stephen Wood
Speaker Pro Tem
Ex-Officio Member

HOUSE MEETINGS ONLY

APPROPRIATIONS

SUBCOMMITTEE ON TRANSPORTATION

1997

May 6, 1997

May 7, 1997

May 8, 1997

May 15, 1997

May 22, 1997

May 28, 1997

July 3, 1997

July 31, 1997

A record of these meetings can be found in the House Appropriations Subcommittee On Transportation 1997 Session Notebook filed in the Legislative Library.

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

February 18, 1997

8:30A.M.

Minutes

Room 1327 Legislative Building

The joint appropriations subcommittee on transportation met on February 18, 1997 at 8:30 A.M. in room 1327 of the Legislative Building. The meeting was co-chaired by **Senator Luther Jordan and Representative Joanne Bowie.**

All five Senate members were present. The House members attending were:

Rep. Joanne Bowie

Rep. Jerry Dockham

Rep. Ed McMahan

Rep. Bobby Barbee

Rep. Dan Blue

Rep. Jim Gulley

Rep. Thomas Hardaway

Rep. Bill Hiatt

Rep. Ronnie Sutton

Representative Bowie opened the meeting, and introduced the pages.

Secretary Garrett of DOT distributed a package of information that included:

- Transit 2001 objectives and executive summary
- DMV direct access
- Quick Facts - NC Dept. of Transportation
- Driver's Handbook
- The Extra mile, October 1996
- Accomplishments of the NC Dept. of Transportation 1993-1996
- Wildflowers on NC roadsides
- NC Scenic Byways
- 1996 State Transportation map
- 1997-1999 Biennial Budget Message
- Highway Design Branch overview
- Map outlining 14 highway divisions
- Maintenance Expenditures 1995-96 per division
- Construction Expenditures 1995-96 per division
- Construction Expenditures Without Loops 1995-96 per division

The following staff of the Department of Transportation were introduced:

Daniel DeVane, Deputy Secretary

Fred Aikens, Deputy Secretary

David King, Transit, Rail & Aviation

Larry Goode, Highway Administrator

Janice Faulkner, Commissioner DMV

Mercedes Benton, Administration

Don Goings, Chief Engineer
Barry Jenkins, Deputy Highway Administrator
Wayne Stallings, Controller
Becky Keigh, Personnel
D. Morris, Fiscal

Secretary Garrett gave an overview of the budget. The budget has 2.367 billion dollars, excluding the highway fund. Highway funds derive from the gasoline tax, fees, etc. The Highway Trust Fund derived \$365.5 million from the Highway Use Tax. The highway use tax has grown. 42.4% of the 2.367 billion goes to highway construction and maintenance.

After his overview, Secretary Garrett thanked the Legislature for realizing the importance of Transportation.

Regarding Transit 2001, the objective is to accelerate key development corridors, public transportation, and, reduce the maintenance backlog. The highway fund provides maintenance funding. An emphasis has been placed on efficiency in maintenance. There is a high interest in privatization. 35% of maintenance budget went to private companies.

The hurricanes had a hard impact on maintenance funds. Seven million cubic yards of debris was picked up at a cost of \$90million to date. 70% of that amount is expected to be reimbursed from FEMA.

\$325 million will be transferred this year to Agriculture, Revenue, DEHNR, Highway Patrol, Public Instruction, General Fund, and Global TransPark.

There is an effort underway to change the Federal formula for returning money to the states. North Carolina is requesting at least 90% back. Nine out of the eleven legislators from NC support this effort. If the proposed legislation passes, NC will receive 60 million of our tax dollars for transportation.

The staff of DOT has been reduced by 500 positions since 1993 which has created a savings of \$11.5 million. In response to a question by Sen. Albertson, Secretary Garrett said the staff reduction had a great impact on DMV. Rep. Bowie wanted to know if the cuts were people or paper cuts. Mr. Fred Aikens stated positions would be reviewed in a future meeting.

Mr. Garrett continued, the 950million bond issue will help with economic development corridors, loop completions, and paving of dirt roads.

Transit 2001 is moving ahead with the recommendations for improving transportation in our state. \$36 million additional funding are included in Gov. Hunt's budget for 1997.

Mr. Garrett thanked Fred Aikens, and Janice Faulkner. He acknowledged problems at Division of Motor Vehicles, and stated staff was working on DMV becoming more user friendly.

At DMV, the Voice Response System is installed and it responds to about 6000 calls per day. A new digitized license is being implemented. The STAR system allows accurate registration, inventory of plates, and speeds up title deliverance from six weeks to one week. The backlog of title deliverance has been reduced from 98,000 down to 4,000, and has allowed an employee reduction.

Rep. Hiatt reminded the committee that DMV contacts about 24 million people a year and he commended them.

Sen. Albertson wanted to know how much staff reduction the automated system caused. Mr. Garrett said there was no staff reduction because of the volume of calls. The STAR system should help reduce the number of calls. Commissioner Faulkner will meet with the committee February 19 to talk about DMV.

Representative Hardaway asked about Highway 158. Secretary Garrett stated the plan to complete turning highway 158 into a four lane highway are going forth.

Senator Carpenter asked if there is legislation regarding Step 21. Mr. Garrett said legislation had been introduced the previous week which if enacted would enable North Carolina more flexibility regarding the funds we receive and would enable us to receive more money. He further stated that 22 states had endorsed the legislation.

Representative Bowie reminded the committee that at 3PM today there would be a presentation regarding Transit 2001. The meeting was turned over to Senator Jordan.

Senator Jordan introduced Calvin Legett, Director of Planning and Programming at DOT.

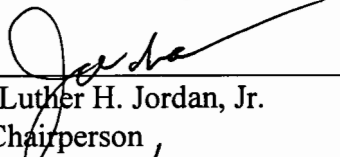
Mr. Leggett said that a 1959 statute, one of the first in the nation, ordered DOT to do long range planning which is sort of a 20 year guide. It looks at natural, social, economic and environmental factors. They work with environmental agencies from the beginning of the planning process to expedite time. He said the Transportation Improvement Program is a 7 year document which schedules multi-modal projects, including wildflower planting. Typically in May, a draft document is available which goes to Board of Transportation in June.

Mr. Barry Jenkins, Deputy State Highway Administrator discussed Design, Right of Way acquisition and explained the function of his department.

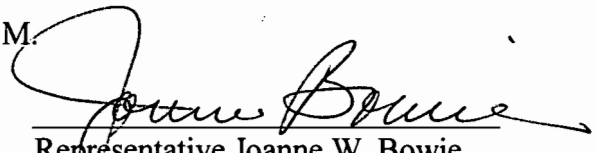
Mr. Don Goins, chief engineer, spoke. He stated that the construction budget had 1.65 billion dollars which will fund 270 projects. He stated that there are currently 78,000

miles that are maintained by DOT in addition to responding to emergency situations. He reviewed the figures on the handout "Maintenance Expenditures".

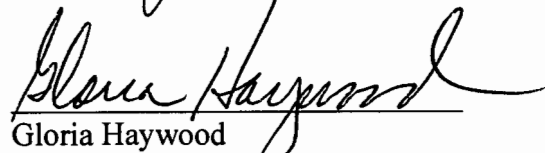
Senator Jordan then adjourned the meeting at 10A.M.



Senator Luther H. Jordan, Jr.
Senate Chairperson



Representative Joanne W. Bowie
House Chairperson



Gloria Haywood
Senate Committee Clerk

AGENDA

Joint Appropriations Subcommittee on Transportation

February 18, 1997

8:30 a.m.

Rm. 1327

I. Introduction of Committee Members and Staff

II. 1997-99 Department of Transportation Budget

- Secretary Garrett

This presentation should last about 15-20 minutes

III. Highway Planning, Design, and Construction

- Calvin Leggett, Director of Planning and Programming
- Berry Jenkins, Deputy State Highway Administrator
- Don Goins, Chief Engineer

This is the first in a series of presentations by the Department to provide background information on its programs. Presentations on DMV and public transit will also be made

**MAINTENANCE EXPENDITURES
STATE FISCAL YEAR 1995/96**

DIVISION HIGHWAY FUND

1	\$	28,132,342
2		27,650,578
3		31,008,550
4		31,651,455
5		30,236,818
6		33,140,295
7		29,472,605
8		33,499,577
9		27,996,978
10		28,655,893
11		32,272,215
12		34,701,559
13		29,547,299
14		<u>24,437,098</u>
TOTALS	\$	422,403,262

CONSTRUCTION EXPENDITURES WITH LOOPS
STATE FISCAL YEAR 1995/96

DIVISION	HIGHWAY FUND	TRUST FUND	TOTAL CONSTRUCTION
1	\$ 22,572,335	\$ 36,581,785	\$ 59,154,120
2	39,570,773	7,725,266	47,296,039
3	40,302,255	16,340,345	56,642,600
4	34,840,471	26,936,500	61,776,971
5	105,912,449	29,210,913	135,123,362
6	26,177,019	12,364,401	38,541,420
7	65,503,588	19,007,992	84,511,580
8	30,075,858	23,546,835	53,622,693
9	52,918,895	8,434,664	61,353,559
10	105,174,228	33,697,355	138,871,583
11	48,979,828	30,155,346	79,135,174
12	46,263,033	14,087,051	60,350,084
13	60,263,367	14,796,751	75,060,118
14	40,846,474	18,160,332	59,006,806
TOTALS	\$ 719,400,573	\$ 291,045,536	\$ 1,010,446,109

CONSTRUCTION EXPENDITURES WITHOUT LOOPS
STATE FISCAL YEAR 1995/96

DIVISION	HIGHWAY FUND	TRUST FUND	TOTAL CONSTRUCTION
1	\$ 22,572,335	\$ 36,581,785	\$ 59,154,120
2	39,570,773	7,725,266	47,296,039
3	40,302,255	16,121,043	56,423,298
4	34,840,471	26,936,500	61,776,971
5	73,497,596	25,728,973	99,226,569
6	26,177,019	12,364,401	38,541,420
7	65,503,588	9,998,489	75,502,077
8	30,075,858	23,546,835	53,622,693
9	52,918,895	7,620,984	60,539,879
10	60,689,708	32,359,489	93,049,197
11	48,979,828	30,155,346	79,135,174
12	46,263,033	14,087,051	60,350,084
13	60,263,367	14,796,751	75,060,118
14	40,846,474	18,160,332	59,006,806
TOTALS	\$ 642,501,200	\$ 276,183,245	\$ 918,684,445

HIGHWAY DESIGN BRANCH

- **Responsible for Design of Most TIP Projects**
 - **Performed by Engineers and Technicians**
 - **65% DOT Staff and 35% Private Engineering Firms**
- **Designs Conform to Nationally Adopted Standards**
- **Location Specific as to Horizontal and Vertical Alignments, Number of Lanes, and Structural Features, Etc.**
- **Projects needs 20 years into Future**
- **Factors Influencing Design Features**
 - **Environmental Considerations**
 - **Traffic Characteristics**
 - **Traffic Management During Construction Process**
 - **Maintenance of Facility**
 - **Minimize Right of Way Needs**
 - **Aesthetics of Facility**
- **Other Significant Functional Areas**
 - **Conducts Public Bid Openings Monthly for TIP Projects**
 - **Value Engineering Concepts**

- **Utilization of Recycled Waste Products**
- **Aerial Photography**
- **Engineering Surveys**
- **Geotechnical Investigations**
- **Pavement Management Strategies and Designs**
- **Citizen Participation (Public Hearings, Information Workshops, etc.).**

TRAFFIC ENGINEERING AND SAFETY SYSTEMS BRANCH

- Traffic Congestion and Operations

- Traffic Control Plans for Construction Projects**

- Signs**

- Intelligent Transportation System Efforts**

- Pavement Markings**

- Traffic Management and Signal Systems

- Traffic Signal Designs**

- Traffic Signal Optimization**

- Signal Progression in Traffic Corridors**

- Traffic Safety Systems Management

- Accident Statistics and Studies**

- Highway and Railroad Grade Crossing Designs**

- Highway Safety Research**

- Field Operations

Speed Limit studies

- Citizen Complaints**

- Investigates High Accident Locations**

- Develops Smaller Safety Project Efforts**

RIGHT OF WAY BRANCH

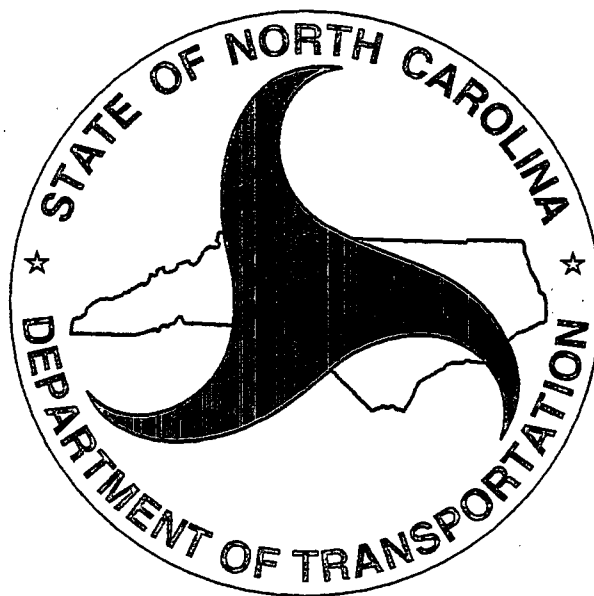
- Property Appraisals**
- Property Owner Negotiations**
- Relocation of Persons and Businesses Displaced by Projects**
- Utility Relocations and Coordination**
- Payments to Property Owners for Acquired Right of Way**
- Maintain Records of Right of Way Transactions**

ENGINEERING AUTOMATION

- Computer Aided Drafting and Design**
- Computer Applications in Engineering Areas**
- Computer Program Development for Engineering Applications**
- Computer Training and Support**

North Carolina Department of Transportation

1997-1999
Biennial Budget Message



Garland B. Garrett, Jr., Secretary

NORTH CAROLINA **DEPARTMENT OF TRANSPORTATION**

Mission Statement

The North Carolina Department of Transportation exists to serve the public by providing total transportation services in a manner which is safe, environmentally sound, promotes economic vitality and is responsive to the public's needs.

Goals

The department has eight primary goals:

1. To preserve, improve and maintain the existing transportation system with more emphasis on privatization.
2. To assess, plan and implement programs to address total transportation system needs.
3. To make optimum use of available financial resources to include private investment whenever practical.
4. To continue practices that protect the environment, preserve our natural resources and beautify our highways.
5. To provide user friendly, courteous and efficient transportation and motor vehicle services to the public.
6. To protect the safety of the traveling public on our highways and in our rest areas, as well as our employees in the workplace.
7. To provide the transportation infrastructure necessary to support the economic vitality of the state.
8. To improve the effectiveness and quality of the department's management and administrative processes by increasing employee involvement.

Commitments

1. Maintain fiscal integrity to the Highway Fund and Highway Trust Fund in order to meet maintenance and public transportation needs.
2. Increase participation of small businesses and minorities in contracts, purchasing and hiring.



Transportation
2001

NORTH CAROLINA TRANSPORTATION 2001

SETTING A NEW PACE
FOR A
NEW CENTURY

*Governor Hunt's Plan to Accelerate Improvements
to our Transportation System.*

Speed up construction and completion of key
economic development highways.



Eliminate the
highway maintenance backlog.

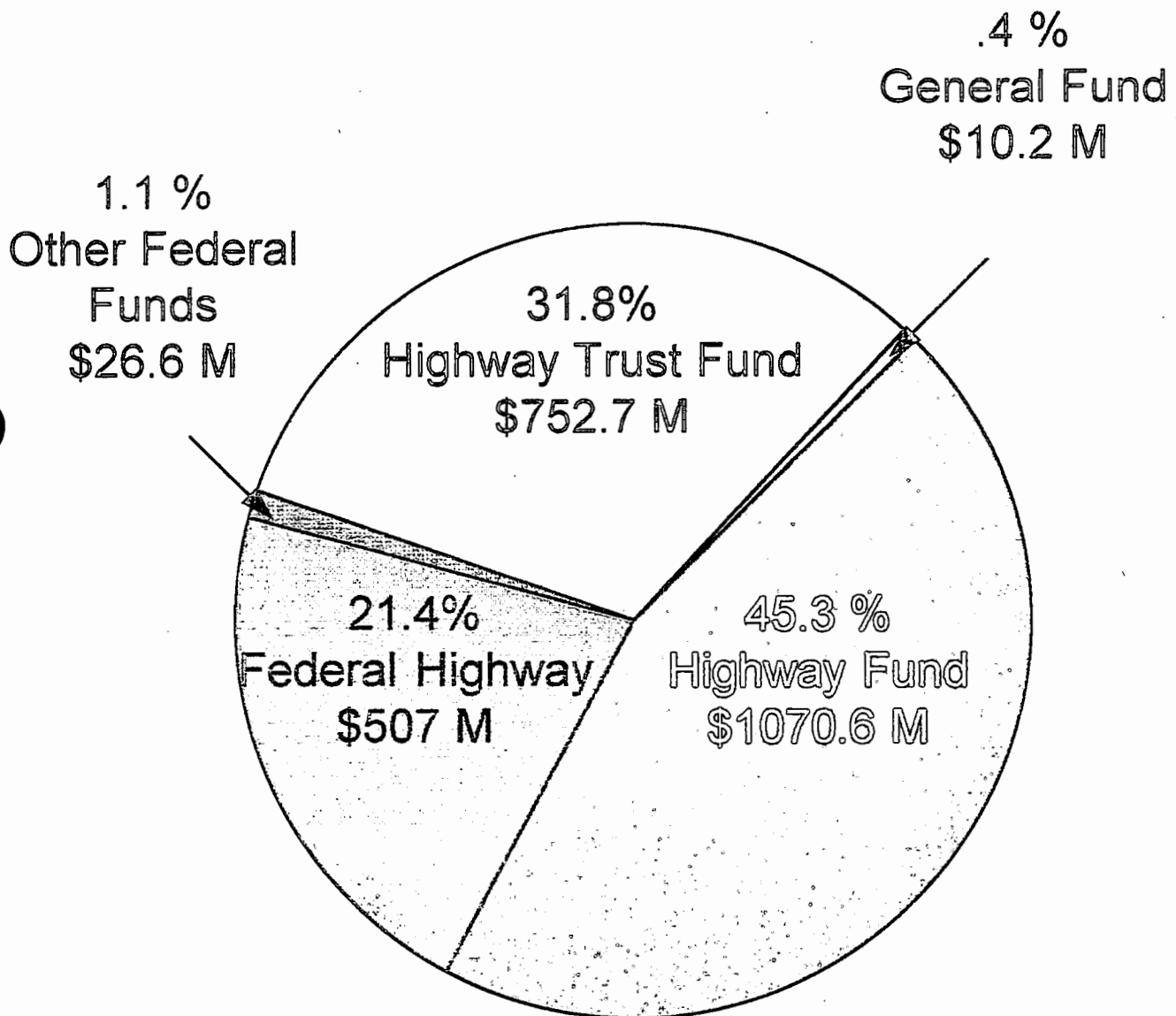


Develop and implement a master plan
for public transportation initiatives.

No new taxes

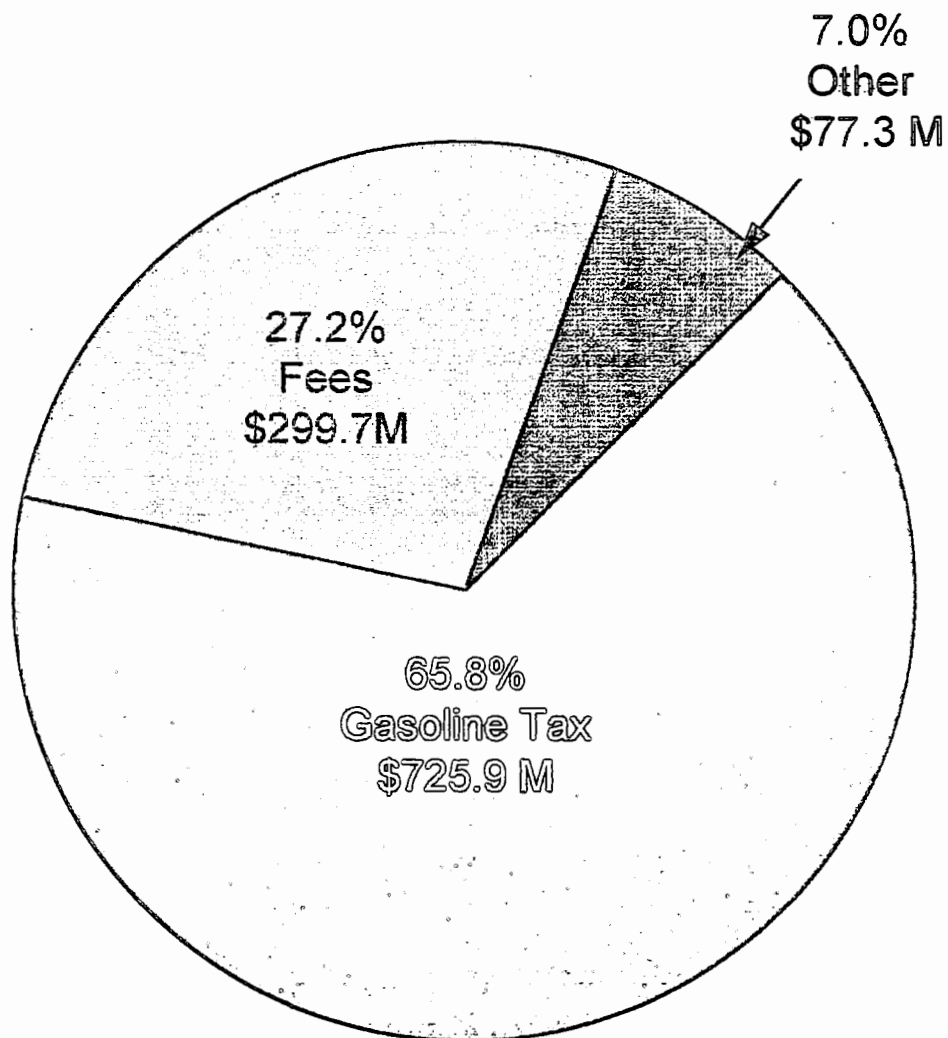
Department of Transportation Sources of Funds for 1996-97 by Major Funding Source

(Total Funding = \$2.367 Billion)



Budgeted Sources of Highway Fund Revenues for 1996-97

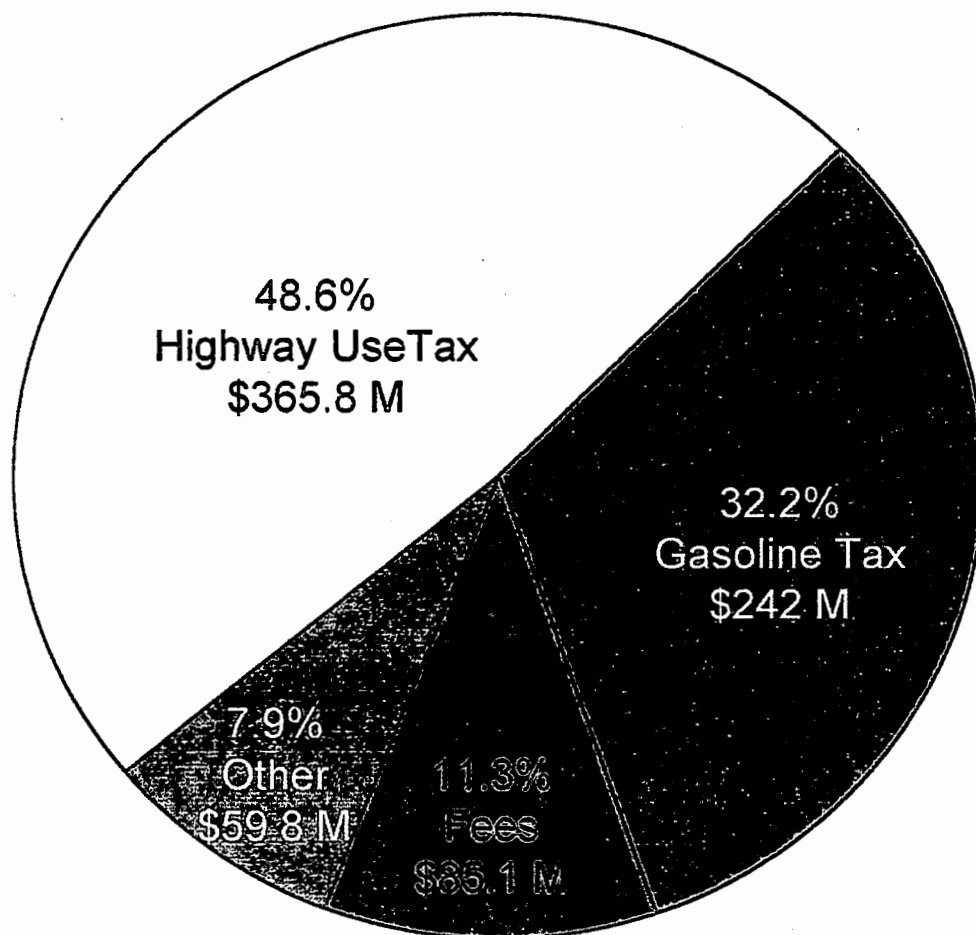
(Total Funding = \$1,102.9 Million)*



* \$32.3 Million Transferred to the Highway Trust Fund

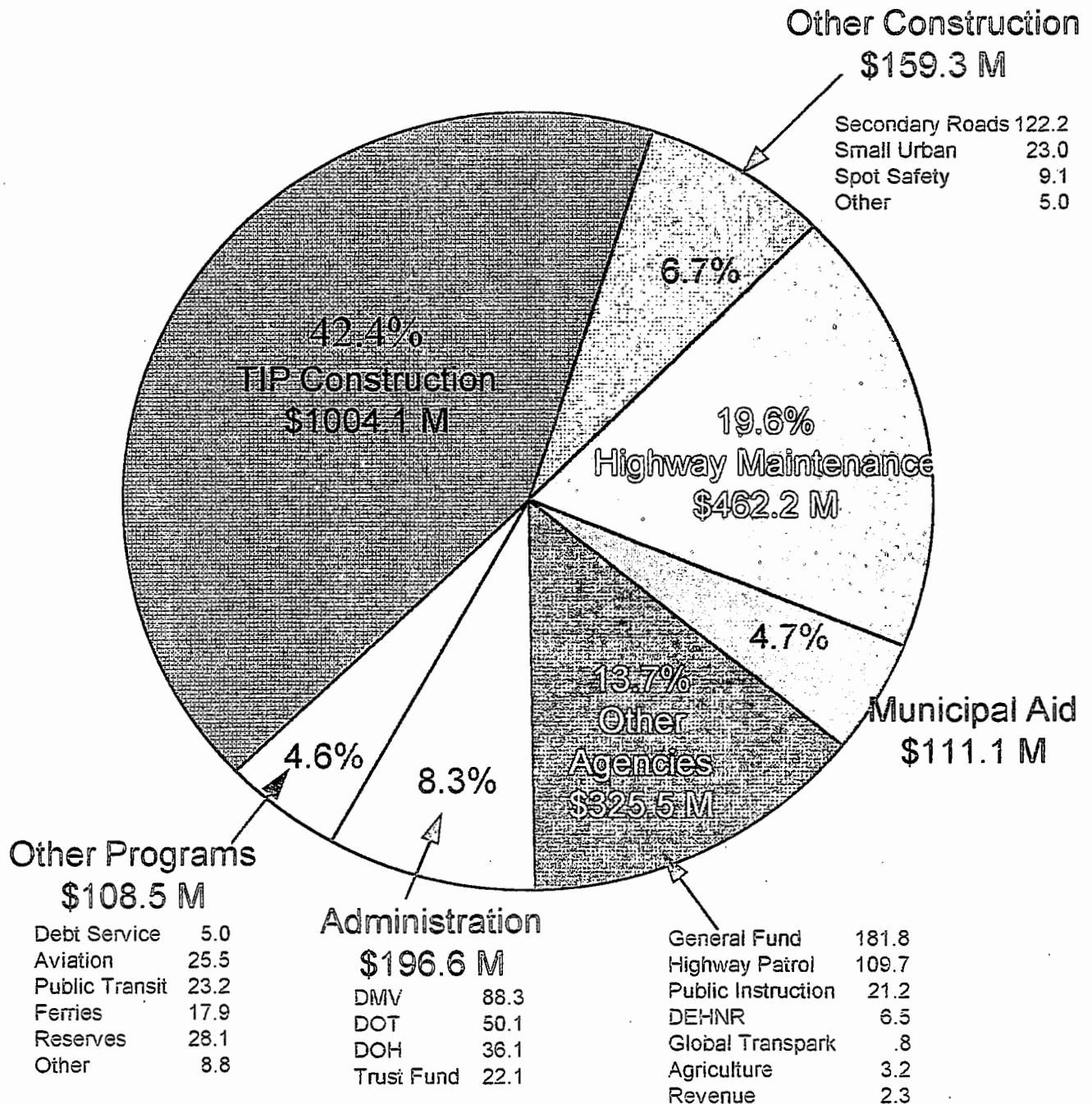
Budgeted Sources of Highway Trust Fund Revenues for 1996-97

(Total Funding = \$752.7 Million)

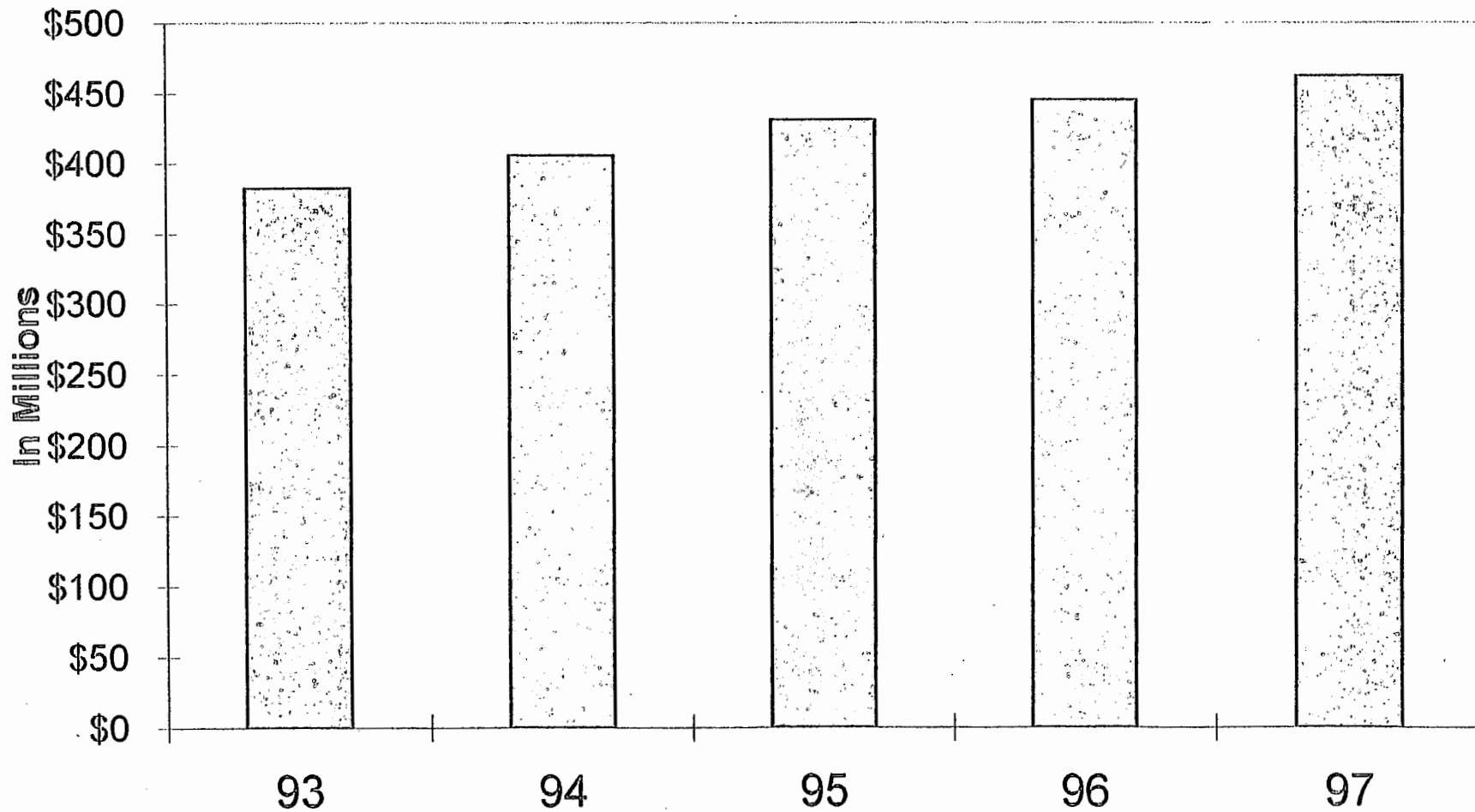


Budgeted Uses of DOT Funds for 1996-97

(Total Funding = \$2.367 Billion)



Growth in Maintenance Funding 1992/93 through 1996/97



Budgeted Transfers to Other Agencies in 1996-97

Millions of Dollars

Agriculture	\$3.2
Revenue	2.3
DEHNR	6.5
Highway Patrol	109.7
Public Instruction	21.2
General Fund (Sales & Use Tax)	181.8
Global TransPark	0.8
TOTAL TRANSFERS	\$325.5

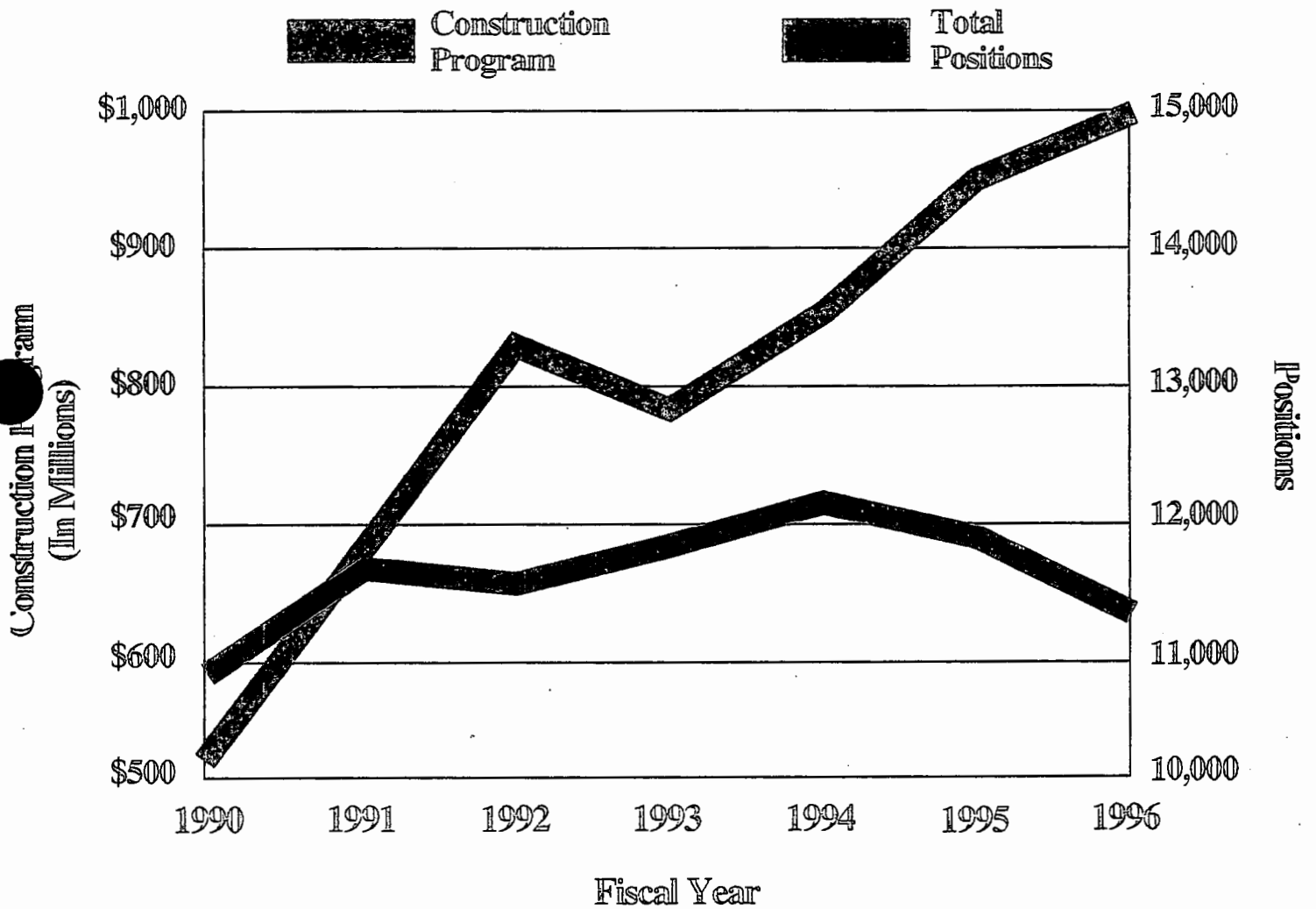
North Carolina Department of Transportation

Position Reductions since January 1, 1993

	1993-95		1995-97		TOTAL	
	Number of Positions	Savings (In Millions)	Number of Positions	Savings (In Millions)	Number of Positions	Savings (In Millions)
DOT Administration	21	\$0.9	5	\$0.2	26	\$1.1
Division of Highways	180	\$4.4	106	\$1.6	286	\$6
Division of Motor Vehicles	102	\$2.6	86	\$1.8	188	\$4.4
TOTAL	303	\$7.9	197	\$3.6	500	\$11.5

Construction \$ vs. Manpower

Total Positions



VISITOR REGISTRATION SHEET

APPROPRIATIONS-DEPARTMENT OF TRANSPORTATION

Committee

2/18/97
Date

VISITORS: Please sign below and return to Committee Clerk

NAME	FIRM or AGENCY and ADDRESS
Calvin Hecett	DOT
N. L. McBride	NCTA
Russell Blair	DOT
Richard Bailey	DOT
Debra Morris	DOT
WAYNE STALLINGS	DOT
Fred Aikens	DOT
Michael Benton	DOT
Kevin Jones	DOT
John Williams	DOT
BERRY JENKINS	DOT
DON GOINS	DOT
James Coulter	DOT - DMV
Bryan Keith	DOT
W. A. White	DOT MIS
Long James	NC DOT
Wan Devane	NC DOT
David King	NC DOT
Chuck Barber	CAPA
Arnell Jo Bain	NCTA
Robert Powell	OSBM
Dan Herlong	State Planning
Otis Carter	Carter Assoc.
Kim Smith	NC League of Municipalities

2m
1327 BACK
1228 FRONT

Today's Pages are:

Date: 2/18/97

Name: Greg Chickhea

Home: Fuquay-Varina, NC

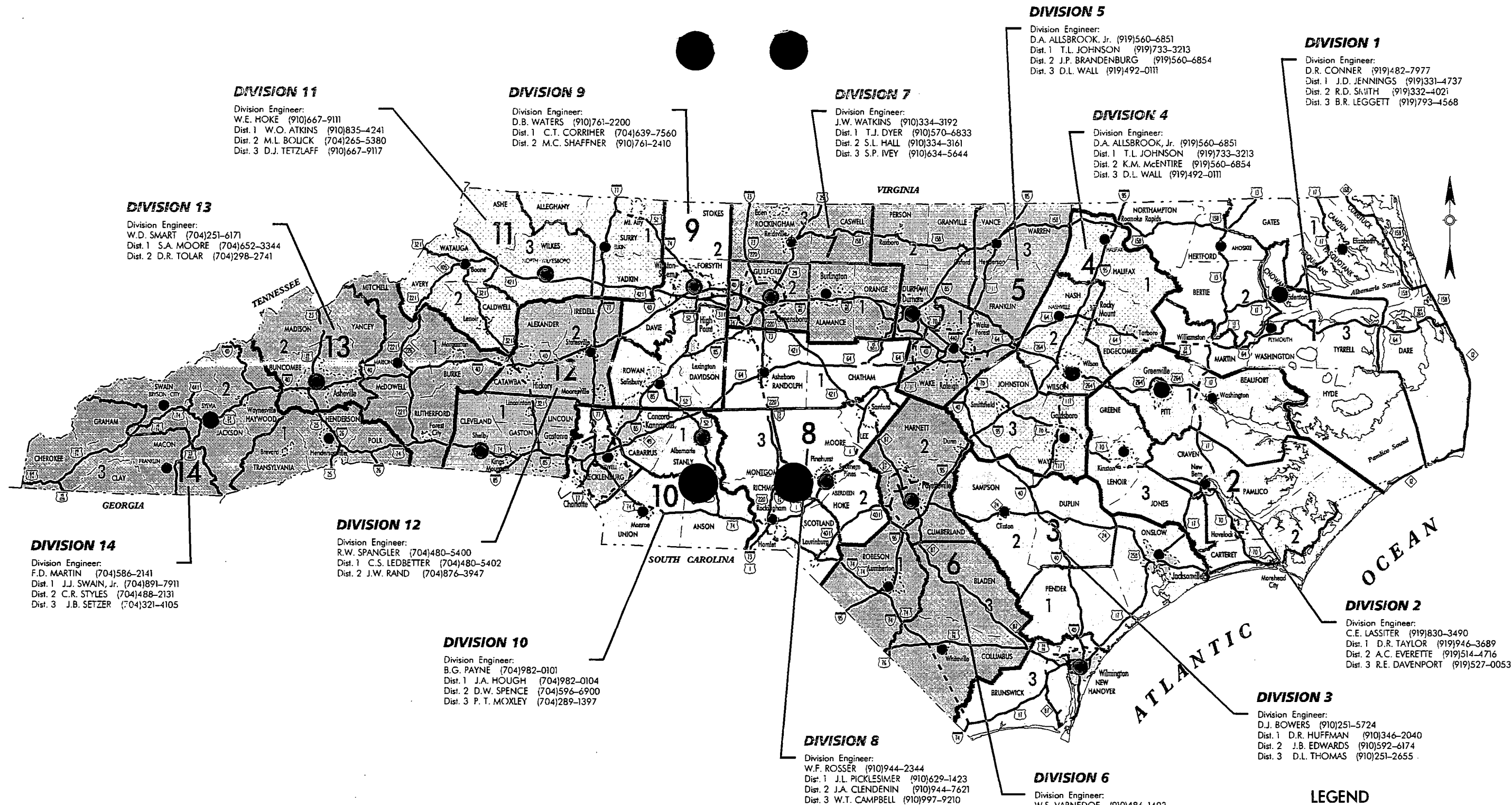
Sponsored by: Brubaker

Name: Elliotte Chandler

Home: Cary, NC

Sponsored By: Brubaker

Jennifer Levenbook
Raleigh, NC
Sen. Marc Basnight



NORTH CAROLINA

Division and District Offices

JOINT APPROPRIATIONS SUB COMMITTEE ON TRANSPORTATION

February 19, 1997

8:30A.M.

Room 1327 Legislative Building

Minutes

The Joint Appropriations Subcommittee on Transportation met on February 19, 1997 at 8:30A.M. in room 1327 of the Legislative Building.

All five Senators on the Senate Sub committee attended. The following members of the House Sub committee were present:

Rep. Joanne Bowie

Rep. Ed McMahan

Rep. Jim Gulley

Rep. Bill Hiatt

Rep. Jerry Dockham

Rep. Bobby Barbee

Rep. Thomas Hardaway

Rep. Drew Saunders

Rep. Ronnie Sutton

Senator Luther Jordan chaired the meeting. Sen. Jordan introduced the pages, and welcomed Commissioner Janice Faulkner, of the Division of Motor Vehicles, further referred to as DMV. Commissioner Faulkner introduced her staff who were accompanying her. Introduced staff were: Carol Howard, Wayne Hurder, Carol Simon, Ed Kerr and Col. Felton.

Commissioner Faulkner distributed a handout titled Division of Motor Vehicles Overview, from which she read. The handout is attached.

Commissioner Faulkner highlighted the following sections of the Overview:

- DMV Overall 1995-96
- Revenue Generated vs. Number of Positions
- Budgeted Uses of Transportation Funds FY96-97

Commissioner Faulkner said that the public's perception is that DMV is a troubled agency. She said that is an exaggeration. She acknowledged that the Emissions inspection program had many inconsistencies but denied that DMV is a political dumping ground. The hiring structure has been tightened to better match skills with job descriptions. There is an 18 step hiring process. Comm. Faulkner further stated that she does not equate low skills with low intelligence. She spoke of her commitment to her job, though she is temporary and earning only \$20 per hour.

In a response to Senator Rucho, Commissioner Faulkner stated that the increase in revenue was due to tax rate.

Rep. Sutton asked had any thought been given to increasing enforcement in the area of dealer tags. Commissioner Faulkner said that the law allows dealers to use dealer tags on

any vehicle that is part of his or her inventory and those vehicles can be driven by an employee anytime and anywhere. There is a law as to the amount of vehicles a dealer is able to obtain plates for. Rep. Sutton inquired, how about family? The answer was, if a family member is listed as an employee, it's OK. Rep. Bowie stated she understood, and cited another incident. Col. Felton stated that the Legislature felt that DMV officers time could be better used, and stated that they were open for suggestion.

Senator Reeves asked what kind of changes are being made for the information management systems? Commissioner Faulkner stated that the Department of Transportation is now putting together a system, and are now analyzing what needs to be on an information system. In response to another question by Senator Reeves, Commissioner Faulkner said planning changes in the information system is being currently analyzed. Senator Reeves said he would like to see related flow charts.

Senator Carpenter stated there is a lot of logging going on in his part of the state. He stated that loggers feel they are being harassed with weight issues. He stated that he would like to see the rules and regulations regarding weight, regarding being stopped at an intersection by DMV with portable scales. Comm. Faulkner said she was not informed about the rules but would get information to the committee as it becomes available.

In response to a question by Senator Rucho, There are 1,777 positions, not employees in DMV. In response to a follow up question by Senator Rucho, STARS caused a glitch, but they are caught up now.

Rep. Dockham commented that DMV is in good hands.

Senator Albertson stated he would like to clone Commissioner Faulkner into four or five people to run state agencies. He appreciated her comment regarding good employees. He then asked about the efficiency of Voice Response. Commissioner Faulkner stated that according to industry standards, in excess of 100 people are needed to make Voice Response adequate. She said she could not comment on how many DMV currently needs. She admitted her bias against Voice Response, and related that Ohio had to scrap their Voice Response when it could not be made adequate. However, they are adding 5 more employees, offering after hour faxing and call back between 6 & 7 in the evening, and adding two additional toll free numbers. She said they are still struggling.

Rep. McMahan asked if a report had been put together regarding revoked licenses. Commissioner Faulkner said no because no computer program exists that matches insurance with licenses.

Staff spoke regarding the Highway Trust Fund. The goals of the fund are: to build urban loops around cities, to improve the four lane highway system to a point where most of the population is in ten miles of a four lane highway, and to pave secondary roads that are

traveled by more than 50 vehicles per day. The trust fund is about nine years behind but the bond issue will help.

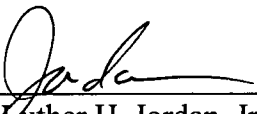
In response to a question by Sen. Albertson, staff replied the 21.4 miles on I-40 are between Greensboro and Winston Salem, and it is a widening project as most I-40 projects are.

The target date for completing the intrastate is 2012 and it is fairly well on target. 26 of 58 miles of the loop project are fully funded. The information regarding paving secondary roads will be available in the spring. The biggest issue is the bond issue and how the resources from it are to be used.

In response to a question by Sen. Albertson, staff said the target date for secondary road paving is 2001. Rep. McMahan asked about maintaining the integrity of the trust fund. The response was, transfers refer to federal and the trust fund is not allowed to receive federal money but if project is able to receive federal matching funds, that can be taken from the Highway Fund. This allows money out of trust fund to be used for non trust fund projects. \$1.2 billion has been transferred.

Rep. Sutton asked about Highway 74 in Robeson County. Sixty percent of the route is now being developed. Senator Albertson requested a review of construction/maintenance expenditures for the past 8 to 10 years.

Senator Jordan adjourned the meeting at 10A.M.



Senator Luther H. Jordan, Jr.
Senate Chairperson



Gloria Haywood
Senate Committee Clerk

AGENDA

Joint Appropriations Subcommittee on Transportation

February 19, 1997

8:30 a.m.

Rm. 1327

I. Overview of the Division of Motor Vehicles

- Commissioner Janice Faulkner

2/19/97

DIVISION OF MOTOR VEHICLES

North Carolina Department of Transportation



Overview

DIVISION OF MOTOR VEHICLES

Mission

- To deliver quality motor vehicle services and promote highway safety.

Vision

- By 2001, North Carolina's Division of Motor Vehicles will be the most fully integrated, technologically advanced, customer driven motor vehicle services and highway safety system in the country.

Principles

- Effective Communication
- Professional Employee Development
- Openness & Honesty
- Vision
- Respect & Integrity
- Continuous Improvement

Short Term Strategies

- Use Technology Effectively
- Improve Communication & Education
- Improve Physical Facilities
- Improve Personnel Hiring & Development Practices
- Expand & Improve Customer Services
- Promote Strategic Investments
- Develop A Quality Assurance System

Long Term Strategies

- Improve Accountability
- Improve Accessibility
- Reduce Cost
- Reduce Time
- Improve Professionalism



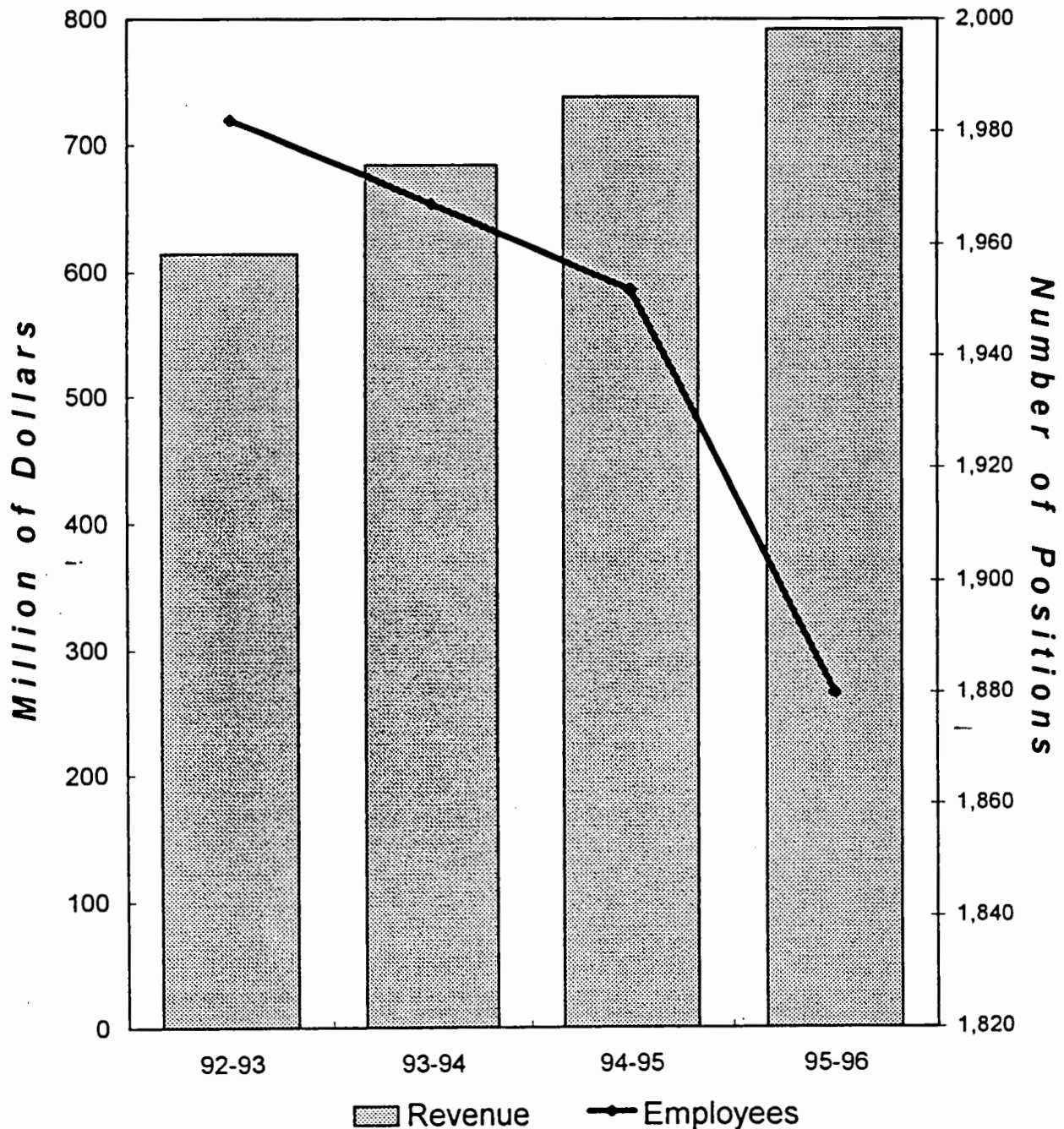
DIVISION OF MOTOR VEHICLES

DMV Overall 1995-96

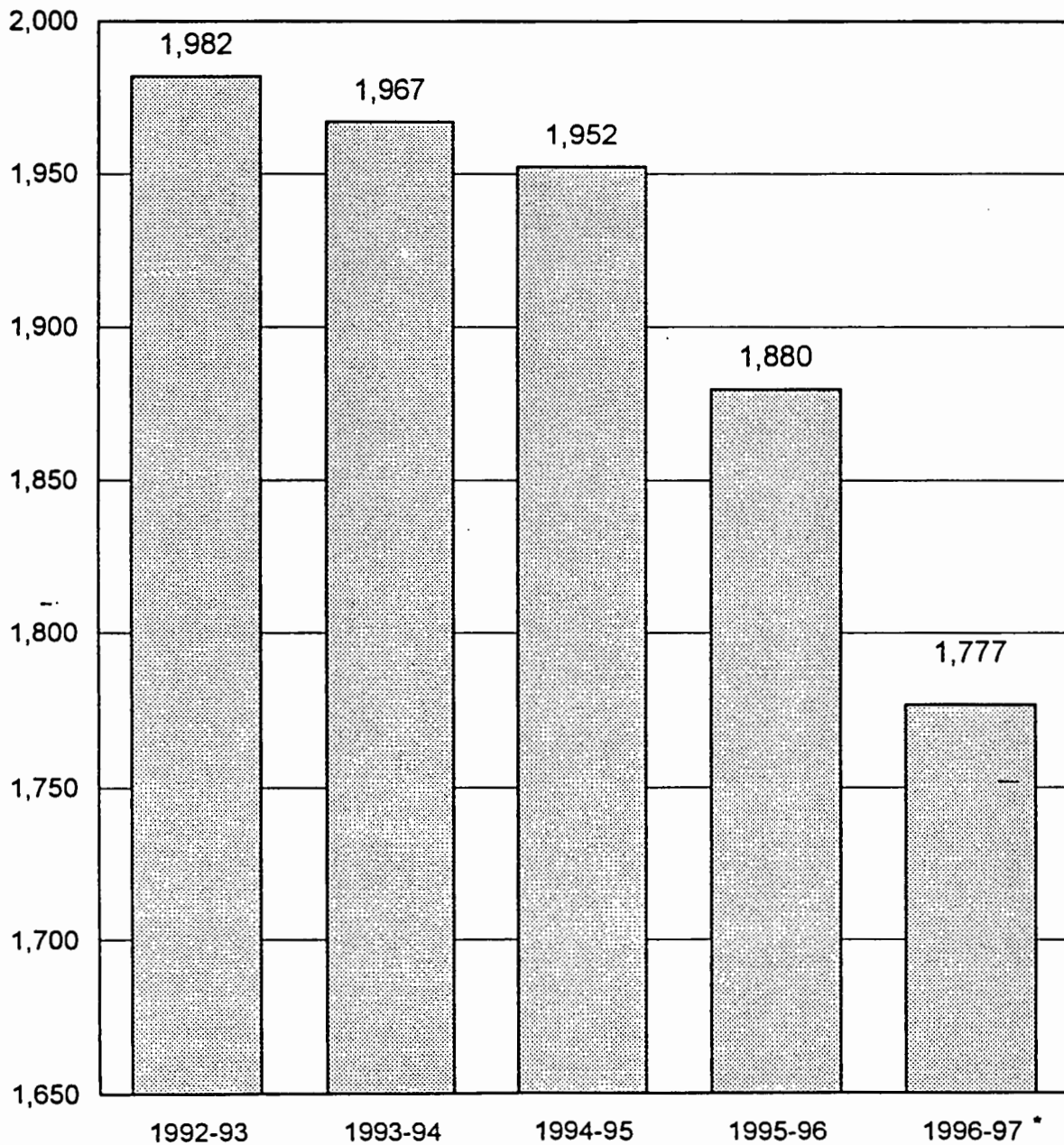
- 6.1 million registered motor vehicles
- 5.5 million licensed drivers
- 1,777 employees
- 507 sworn law enforcement
- \$791.7 million collected
- 5.5 million trucks weighed
- 12,227 motor vehicle dealers regulated
- 11,267 school bus drivers trained



***NC Division of Motor Vehicles
Revenue Generated vs Number of Positions
1992-93 through 1995-96***



***NC Division of Motor Vehicles
Authorized Positions
1992-93 through 1996-97***

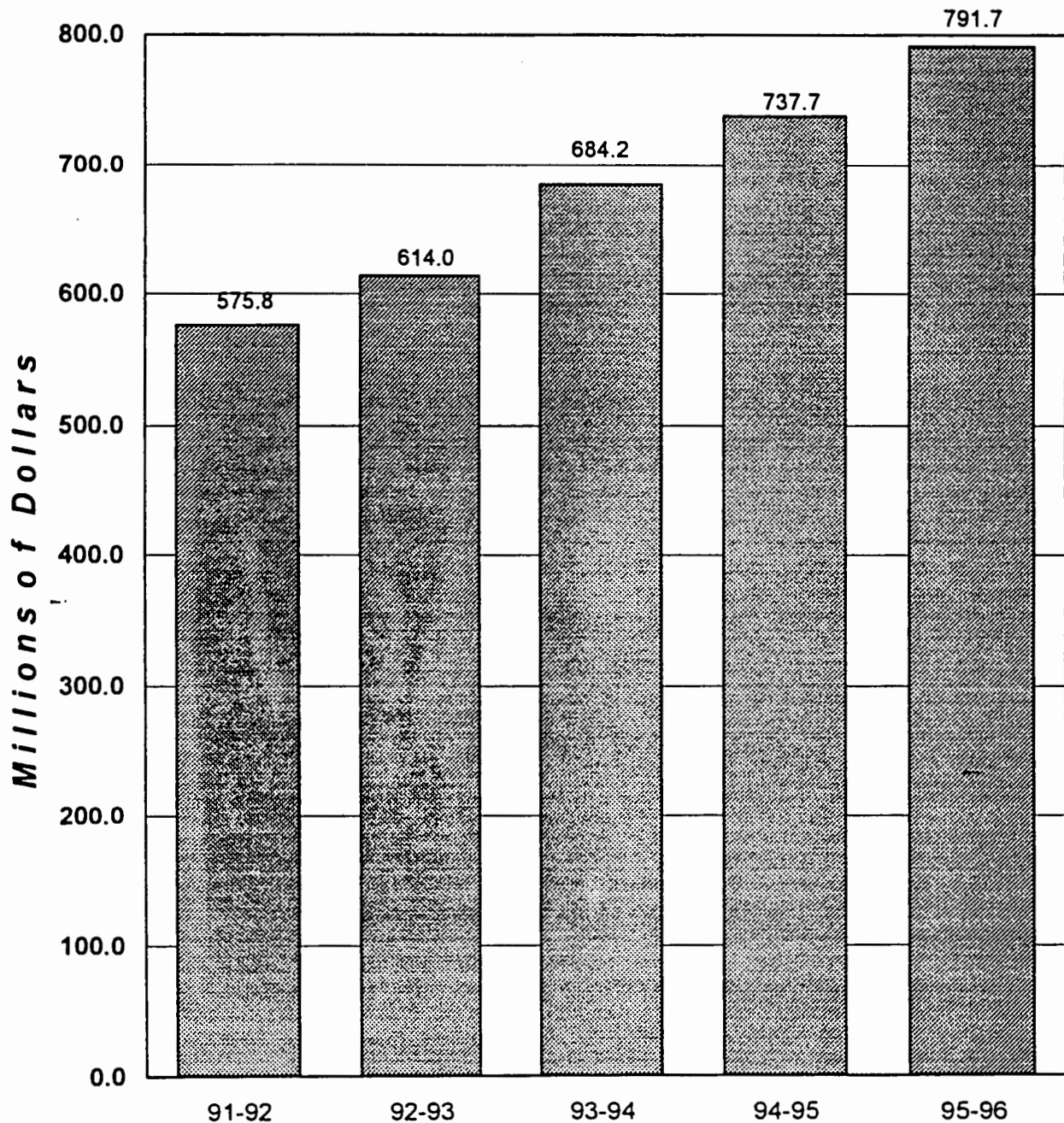


* As of 12/31/96

NC Division of Motor Vehicles

Revenue Collected

1991-92 through 1995-96



* Reflects the change from 2% sales tax to 3% highway use tax on all title transactions (HB399 of the 1989 Session Laws).

Source: DOT Fiscal Section

NC Division of Motor Vehicles Revenue Sources

1995-96

(Total \$791.7 Million)

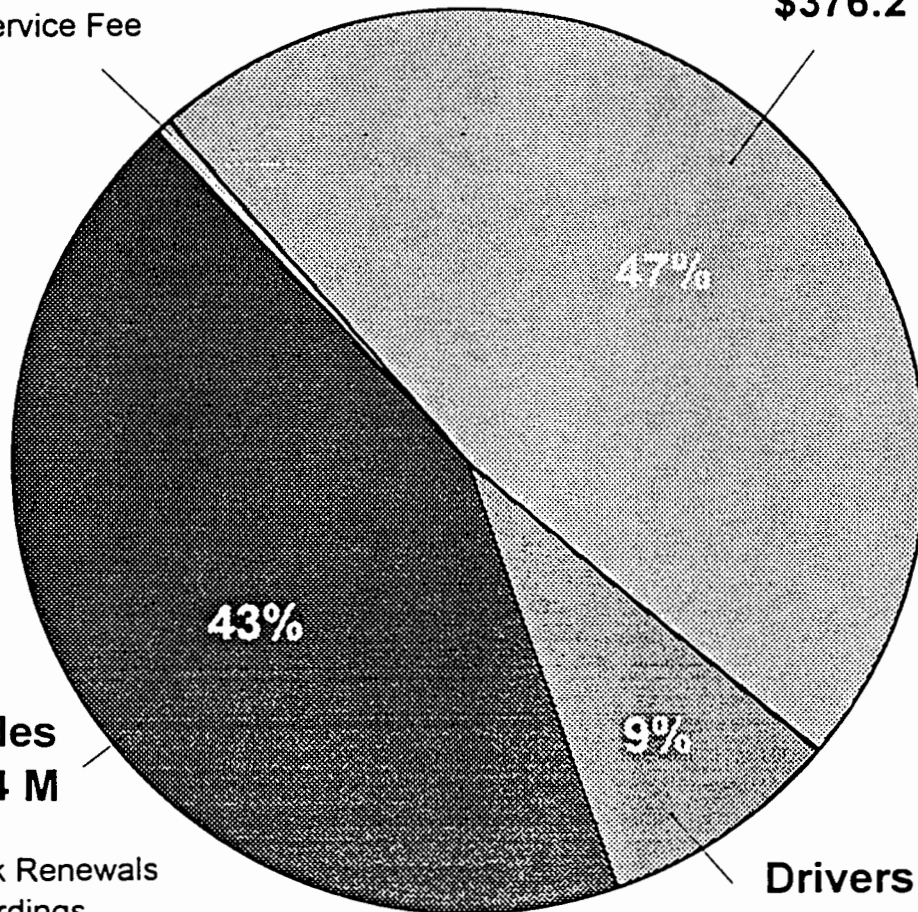
Other (Less than 1%)

\$4.1 M

Process Service Fee
Sales Tax

Highway Use Tax

\$376.2 M



Vehicles

\$342.4 M

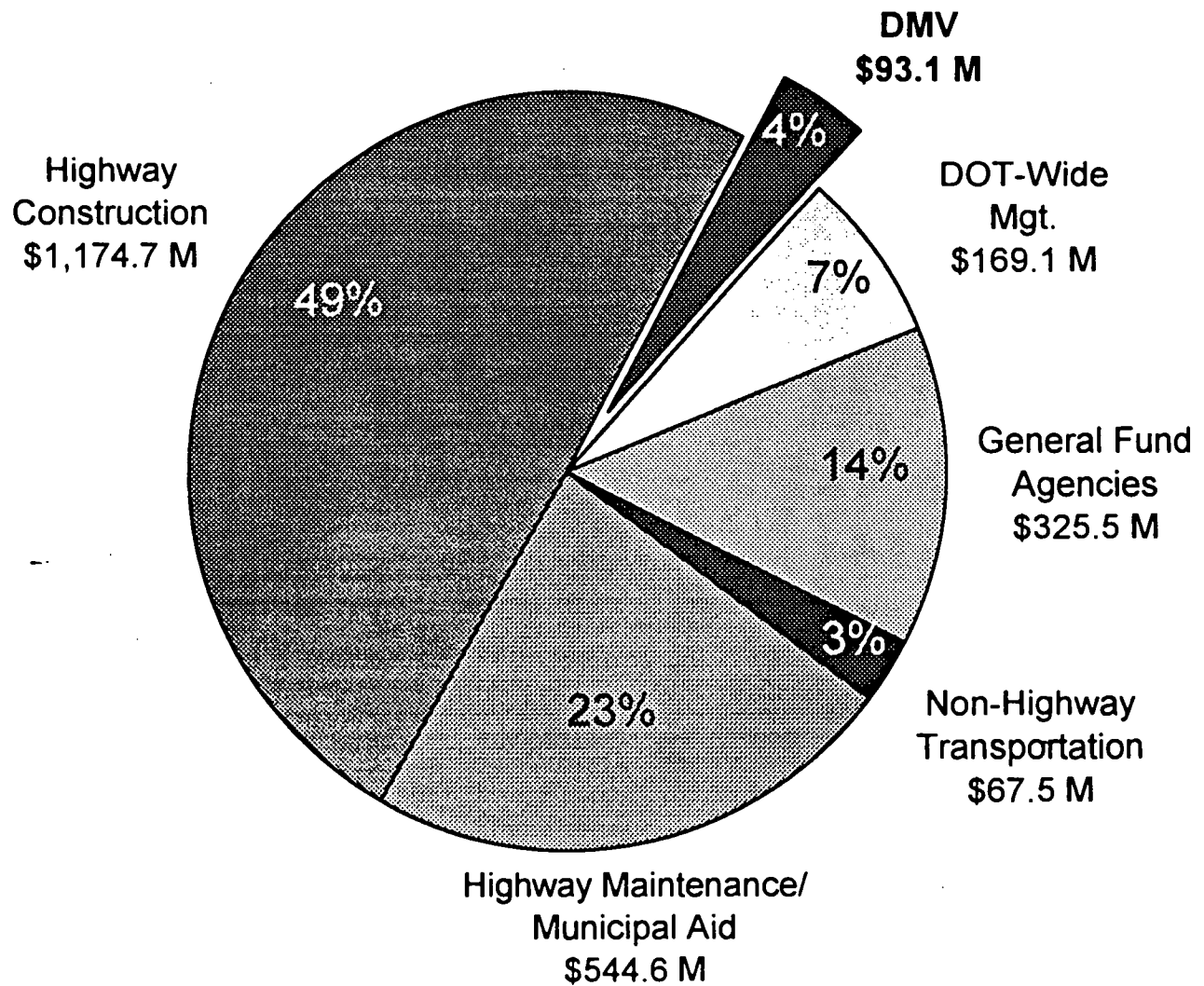
Title Fees
Auto/Truck Renewals
Lien Recordings
Motor Carrier/Weight Enforcement
Safety/Exhaust Emission Inspections
Financial Security Restoration
Dealer & Manufacturer Plates
Registration Information
Acknowledgement Fees

Drivers

\$69.0 M

Driver License Fees
IDs (11-15)
Commercial Driving Training
Collision Reports

Budgeted Uses of Transportation Funds FY96-97
Total Budget = \$2,374.5 Billion



Every \$1 invested in DMV returns \$8.

DIVISION OF MOTOR VEHICLES

VOICE RESPONSE UNIT

- DMV Telephone System Audit completed in August, 1993
- Audit concludes that Voice Response System is needed
- Voice Response Unit installed in September, 1995
- System contained 214 lines
- DMV had 30 total telephone operators at time of VRU installation

CURRENT OPERATIONS:

- DMV currently has 53 operators
- Industry standard indicate DMV should have 117 operators
- DMV VRU receives approximately 7,000 calls per day
- Telephone operators take approximately 4,000 calls per day



DIVISION OF MOTOR VEHICLES

OFFICE OF THE COMMISSIONER

The Office of the Commissioner provides overall policy, management and administration of the Division of Motor Vehicles and the 1,777 employees.

The Commissioner's Office Is Responsible For:

- Short and long-range planning
- Legislative program
- Personnel actions
- Budget requests

The staff of the Commissioner's office includes:

- Two assistant commissioners
- Safety Officer
- Budget Director
- Public Information Officer



DIVISION OF MOTOR VEHICLES

OFFICE OF CITIZEN AFFAIRS

The Office of Citizen Affairs was established in February 1996 to respond to increased customer needs. Through expediting timely assistance, this office provides support to those who have encountered difficulties or delays in services provided. In addition, we also serve as a referral point to customers from other sections, legislators and other state agencies. On average, the Office of Citizen Affairs serves more than 300 customers daily.

- Driver License Problem Resolution for NC Clerks of Courts
 - Provide immediate access to DMV records for Clerks of Court
 - Eliminate wait for additions and revisions to court records
- Assistance to Hispanic and other Non-English Speaking Customers
 - Provide translator for Hispanic Customers for hearings, title and registration, insurance, and driver license needs.
 - Provide translation to written requests in other languages using a language bank at local university.
- Customer Service
 - Listen and understand difficulties customers are experiencing.
 - Resolve situations as quickly as possible.
 - Develop and share customer service information with all sections.
 - Produce an incentive program rewarding excellence for customer service.
 - Set an outstanding example for Customer Service.
 - Develop and install tracking system for citizen concerns.
 - Provide 24 hour or less resolution time.
- Information Desk
 - Direct customers to services within the building.
 - Answer general questions.
 - Provide information and directions to other DMV locations and state office buildings customers need to find.
 - Track the number of customers daily.
- Organ Donor Program
 - Provide process by which NC Drivers may identify themselves as organ donors when obtaining a Driver License North Carolina Division of Motor Vehicles DMV identify themselves as organ donors when obtaining a Driver License.
 - Coordinate with NC Organ Procurement agencies to promote awareness.
 - Participate in health fairs and other activities statewide promoting DMV Organ Donor awareness.
- Motor Voter Program
 - Allow NC citizens to register to vote when obtaining a driving license.
 - Compile information for NC Board of Election.



DIVISION OF MOTOR VEHICLES

COLLISION REPORTS AND DATA INFORMATION

The Collision Reports and Data Information Section develops, implements and administers the State Traffic Accident Records Program, the DMV Data Control Program, and the State Financial Responsibility Program. It serves as a central collection agency for reports of motor vehicle accidents made by law enforcement agencies and provides statistical data for research purposes. The Financial Responsibility Laws require that uninsured motorists and vehicle owners involved in traffic accidents supply proof of ability to pay for damages and allow for a hearing when drivers license have been revoked or suspended. The DMV Data Control Program insures the quality timeliness of services and data output.

- Traffic Accident Records Program (4 Units)
 - Provides central collection agency for reports of accidents in order to produce a statistical data base for safety programs.
 - Sells copies of accident reports.
 - Provides accident statistics to the public. Produces daily and monthly reports and publishes a yearly Traffic Accident Facts Booklet.
 - Administers the Fatal Accident Reporting System, a federally funded position.
- Enforcement of the Safety and Financial Responsibility Laws
 - Verifies insurance at the time of accident.
 - Initiates suspension of the driver license of the owner and operator involved for lack of liability insurance.
 - Determine amount of security to satisfy a judgment and collect security deposits.
 - Holds hearings.
 - Issues pick-up notices.
 - Reciprocate with other states.
- Data Control Program
 - Define data needs with users, modify Job Control Language (JCL), and review output to verify proper execution
 - Coordinate the processing of data and the timely flow of data between the division, the computer center and the users of the data.
 - Coordinate pre-established production runs associated with ad-hoc requests for particular reports.



DIVISION OF MOTOR VEHICLES

DRIVER LICENSE SECTION

The Driver License Section of the Division is responsible for administering North Carolina motor vehicle laws related to driver licensing and driver improvement, including maintaining a central computerized data base of all licensed drivers in the state and court convictions of motorists, both in-state and out-of-state, for moving traffic violations. The section conducts drivers license examinations for classified and commercial driver licenses and issues learner's permits, original and renewal licenses, duplicate driver licenses and non-photo identification cards. The section also registers voters and maintains a central registry of human organ donors.

- **Certification Branch**
 - Ensure proper issuance of classified and commercial driver licenses and special identification cards to promote safe driving on North Carolina Highways
 - Responsible for 143 field offices (as of 1/31/97) and approximately 400 examining personnel (Note: The Mobile Units will begin service in early March of 1997 and 18 offices will be closing and the areas will be serviced by the unit.)
 - Provide voter registration services to customers
 - Register prospective organ donors
- **Adjudication Branch**
 - Responsible for suspending or revoking licenses based on court convictions or medical problems and reinstating drivers suspended or revoked for those reasons.
- **Driver Assistance Branch of Adjudication**
 - Processes 600,000 suspension or revocation orders annually based on convictions or violations stipulated in General Statutes or Federal Highway Administration regulations
 - Receives and provides refunds for restoration and service fees
 - Provides hearings for customers and restores licensing privileges according to requirements of General Statutes
 - Assist customers in resolving driver license problems, scheduling hearings, clearing records, etc.
 - Holds hearings for DWI restorations and other suspensions
 - Holds hearings for refusals to take chemical tests
 - Sends orders to Enforcement Section to pick up suspended licenses
- **Medical Review Branch of Adjudication**
 - Promotes highway safety through re-examinations and medical evaluation of persons who suffer from physical or mental disabilities or diseases that may affect ability to drive.
 - Coordinates with Driver Medical Evaluation Unit of the Department of Environment, Health and Natural Resources to obtain evaluation of customer problems by medical professionals.



DIVISION OF MOTOR VEHICLES

DRIVER LICENSE CONTINUED

- Conducts Medical Review Hearings for customers who appeal decisions by Medical Advisor.
- Administer intrastate waiver program for commercial driver license applicants who fail to meet Federal Motor Carrier Safety Regulations.

Administration Branch

- Information Services Branch of Administration
 - Provides assistance to the public through 24 customer service representatives in its telephone room
 - Responsible for sale of driver records to insurance companies and the public and for providing records to law enforcement
 - Processes temporary licenses
 - Handles correspondence to the public on licensing matters for the offices of the Director, Commissioner, Secretary and Governor
 - Provides technical assistance on State Automated Driver License System (SADLS) and digital imagery problems to Driver License personnel through its Help Desk
 - Provides digital images to law enforcement from digital imagery system
- Data Coding Unit of Administration
 - Codes convictions coming from other states or those not processed electronically from the Administrative Office of the Courts.
- Data Entry Unit of Administration
 - Enters coded information about convictions into computers.

Budget, Supply and Training Branch

- Audits examiner's end-of-day reports
- Handles all purchasing for the Section
- Provides necessary supplies and uniforms to the field
- Administers contracts for lease of facilities and equipment, maintenance of equipment, and production driver licenses through Polaroid system and digital imagery system.
- Prepares annual continuation and expansion budgets for submission to General Assembly
- Administers personnel system within Driver License Section, including Performance Management system.
- Key Driver License Facts
 - Total of 5.5 million licensed drivers in North Carolina
 - 2.2 million licenses and ID cards issued in 1996
 - More than 600,000 suspensions and revocations in 1996
 - More than 325,000 customers served by telephone
 - Hearings conducted for more than 36,000 customers
 - Medical evaluations conducted of almost 20,000 customers
 - More than \$58 million collected in fees and penalties
 - \$22.6 million annual budget



DIVISION OF MOTOR VEHICLES

ENFORCEMENT SECTION

Responsibilities of the Enforcement Section include administering and enforcing the Motor Vehicle Safety Inspection Program, Emissions Inspection and Maintenance Program and the Manufacturer's Licensing Act, which required all dealers, manufacturers, wholesalers, distributors and their sales personnel to be licensed in North Carolina. Truck size and weight laws are enforced by the section at thirteen strategically-located truck weighing stations (ten weigh stations are permanent and three are portable) to prevent truck weight damage to North Carolina highways and roads. The section also administers the Federal Motor Carrier Safety Assistance Program and enforces state and federal commercial motor vehicle safety standards. DMV Enforcement is also responsible for the security of our state's sixty-one rest areas and welcome centers.

- Criminal Investigation
 - 113,954 investigations conducted
 - 21,038 arrests
- Auto Theft
 - 21,976 cars reported stolen in NC
 - DMV recovered 1,113 vehicles valued at \$9,608,144
- Registration Fraud
 - Investigations
 - Arrests
- Odometer Fraud
 - Considered as one of the major consumer rip-offs
 - Devalues vehicle an estimated \$6,000
- Salvage Inspections
 - Approximately 51,576 inspections per year
 - Detect use of stolen vehicles and parts
 - Detect and deter use of stolen titles
 - Help lower insurance cost for taxpayers
- Dealers
 - License over 12,000 auto dealers per year
 - License over 46,000 salespersons per year
 - Issue over 92,000 dealer tags per year
 - Inspectors audit dealers annually
 - Investigate criminal offenses and consumer complaints
- Safety Inspection/Emission
 - Oversee 6,300 inspection stations
 - Station audits
 - Investigate criminal offenses and consumer complaints
- Driver License Investigations
 - Fraudulent driver license cases
 - Illegal activity by driver license examiners



DIVISION OF MOTOR VEHICLES

ENFORCEMENT CONTINUED

- Weight/Motor Carrier Safety
 - 12,184 warnings
 - 11,708 arrests
- Overweight Vehicles
 - Detect and cite overweight
 - Prevent road deterioration
 - Prevent acute overloading beyond manufacturers recommendations
- Fuel Tax
 - Cite violations/Collect gas tax penalties
- International Registration Plan
 - Detect and cite violations
 - Sale of IRP tags
- ICC Regulations
 - Detect violations
 - Prepare cases for ICC Authority
- Motor Carrier Vehicle Inspections
 - Ensure driver and equipment are highway safe
 - 46,582 vehicle inspections per year
- Motor Carrier Reviews
 - Assign motor carriers rating through audits
 - Enforce vehicle repair maintenance and medical examinations
- Hazardous Materials
 - Monitor movement of all hazardous materials in the state
 - Inspect hazardous material vehicles
- Truck Driving Training Schools
 - Regulate training curriculum
 - Regulate instructors and recruiters
- ICC Regulations
 - Enforce insurance requirements
- Driver License Revocations
 - 84,000 revocations
 - Eliminate unsafe drivers
- License Tag Revocations
 - Process 314,745 revocations
- Bad Check Investigations:
 - Collect \$369,514 in bad checks
 - Process 2,171 bad checks that had been issued to the Division
- Driver License Investigations
 - Investigate and arrest fraudulent applicants
- Vehicle Inspections
 - Trailer verification
 - Convenience for public



DIVISION OF MOTOR VEHICLES

SCHOOL BUS AND TRAFFIC SAFETY

The School Bus and Traffic Safety Section promotes traffic safety through education programs and professional leadership in driver improvement. It provides training, certification, and recertification of all school bus drivers; schedules and conducts Driver Improvement Clinics for traffic violators and interested citizens; and issues restricted instruction permits to public, private, and commercial driver education students.

Other responsibilities of the Section include approving, inspecting, and licensing Commercial Driver Training Schools and their instructors; teaching Defensive Driving courses approved by the National Safety Council; and presenting programs on school bus driver and passenger safety, bicycle safety, and pedestrian safety to interested individuals and organizations. The Section maintains a video library for use by companies and groups promoting highway safety.

- School Bus Driver Training
 - Classwork Training
 - Roadwork Training (Behind-the-Wheel)
 - Inspection, Basic Skills, and Road Testing
 - Certification
 - Periodic In-Service Training
 - Monitoring of Driving Records
- Passenger Safety Training
 - Safety Programs (K-2)
 - Films for All Groups (K-12)
- Restricted Instruction Permits
 - Restricted Driver License for Use in Driver Education Car
 - Conditions, Requirements as for a Regular Driver License
- Driver Improvement Clinic
 - DMV Assignment (Problem Drivers)
 - Court Assignment (Problem Drivers)
 - Volunteers from All Sources
 - Training in Defensive Driving
- Defensive Driving Course
 - National Safety Council Course
 - Individual Companies or Groups
 - On-Site Training



DIVISION OF MOTOR VEHICLES

SCHOOL BUS CONTINUED

- Commercial Driver Training Schools
 - School Licensing
 - Course Approvals
 - Classroom, Car Inspections
 - Instructor Licensing
 - Training and Observation of Teaching Methods and Practices
- Basic Driver Education Course
 - Law Enforcement Personnel
 - Highway Patrol
 - Internal Training
 - Interested Groups
- Film Library/Safety Materials
 - 140 Titles Available
 - Driver Education Classes/Company Safety Programs
 - Company Safety Programs
 - Interested Groups
 - Safety Presentations
- Statistics For 1995-96
 - 12,913 - Buses operating at end of year
 - 707,725 - Students transported
 - 134,774,122 - Miles covered for year
 - 748,745 - Miles covered per day
 - 11,267 - Drivers trained
 - 124,256 - Passengers trained
 - 96,141 - Restricted Instruction Permits
 - 71 - Commercial Driver Training Schools
 - 536 - Commercial Driver Training Schools (CDTS) Instructors
 - 9,348 - Driver Improvement Clinic and Defensive Driving Course participants
 - 11,131 - Other safety program participants
 - 43,939 - Film/video viewers



DIVISION OF MOTOR VEHICLES

VEHICLE REGISTRATION SECTION

The Vehicle Registration Section processes and issues motor vehicle titles, registers vehicles, issues license plates and collects related fees. The section also revokes vehicle registration plates for non-compliance with the North Carolina Financial Responsibility Act and levies penalties, and other fees for license plate restoration. Among the responsibilities of the section is the issuance of apportioned license plates, special license plates, personalized plates, collegiate plates, historical plates, handicapped plates and special placards for handicapped parking privileges. The section consists of 14 units and maintains 128 contract branch offices across the state, in addition to state-operated offices in Raleigh and Charlotte. The section maintains a separate location on Rock Quarry Road in Raleigh for the International Registration Plan Unit, which services the trucking community operating under the International Registration Plan.

The section conducts liability insurance hearings requested by motorists regarding license plate revocations, collects the highway use tax on the sale of new and used motor vehicles, furnishes vehicle registration lists to county tax supervisors for local ad valorem tax assessment and collection purposes, maintains a central data base of all registered motor vehicles in the state and provides information to law enforcement agencies, state government and the general public in regard to motor vehicle registration. The section also conducts audits of registrants with the International Registration Plan to monitor compliance.

- Motor Vehicle Titling and Registration
 - Maintain two state offices (Raleigh and Charlotte)
 - Issue license plates and titles
 - Provide mail order services
 - Record liens
- Oversee Statewide Motor Vehicle Contract Offices
 - Maintain 128 contract offices employing over 500 individuals
 - Support contract offices with seven Vehicle Registration Field Supervisors
 - Provide continuing education for contract offices
- Financial Security Program
 - Administer Compulsory Liability Insurance Law
 - Process license plates revocations
 - Collect penalties for lapse in liability coverage
 - Conduct insurance hearings



DIVISION OF MOTOR VEHICLES

VEHICLE REGISTRATION CONTINUED

- Special License Plate Program
 - Issue personalized license plates
 - Issue 53 other classifications of special license plates
- Collect and Designate Fees
 - Highway Use Tax for Trust Fund
 - Registration fees
 - Other special fees
- Provide Telephone Communication Center
 - Assist public by telephone
 - Provide public with registration information and vehicle history
- Provide Permanent Vehicle History Files
 - Furnish certified copies for court
 - Archive records and registration statistics
- International Registration Plan Unit
 - Title and license apportioned vehicles
 - Collect apportioned license fees and disburse fees to appropriate jurisdiction
 - Issue temporary permits
 - Audit International Registration Plan accounts
 - Oversee Motor Carrier Regulatory Unit
- 1996 STATISTICS
 - 6,126,083 Vehicles Registered
 - 607,801 New Vehicle Titles Issued
 - 994,804 NC Title Transfers
 - 356,831 out-of-state Titles Issued
 - 34,854 Branded Titles Issued
 - 860,819 License Renewals Processed by Mail
 - 8,028,363 Transactions Processed by Contract Agents @ \$1.20
 - License 66,500 Apportioned Tractors and 26,000 Trailers
 - Conducted 750 International Registration Plan Account Audits
 - 10,868 Liability Insurance Hearings Conducted
 - 53 Special Plate Classifications

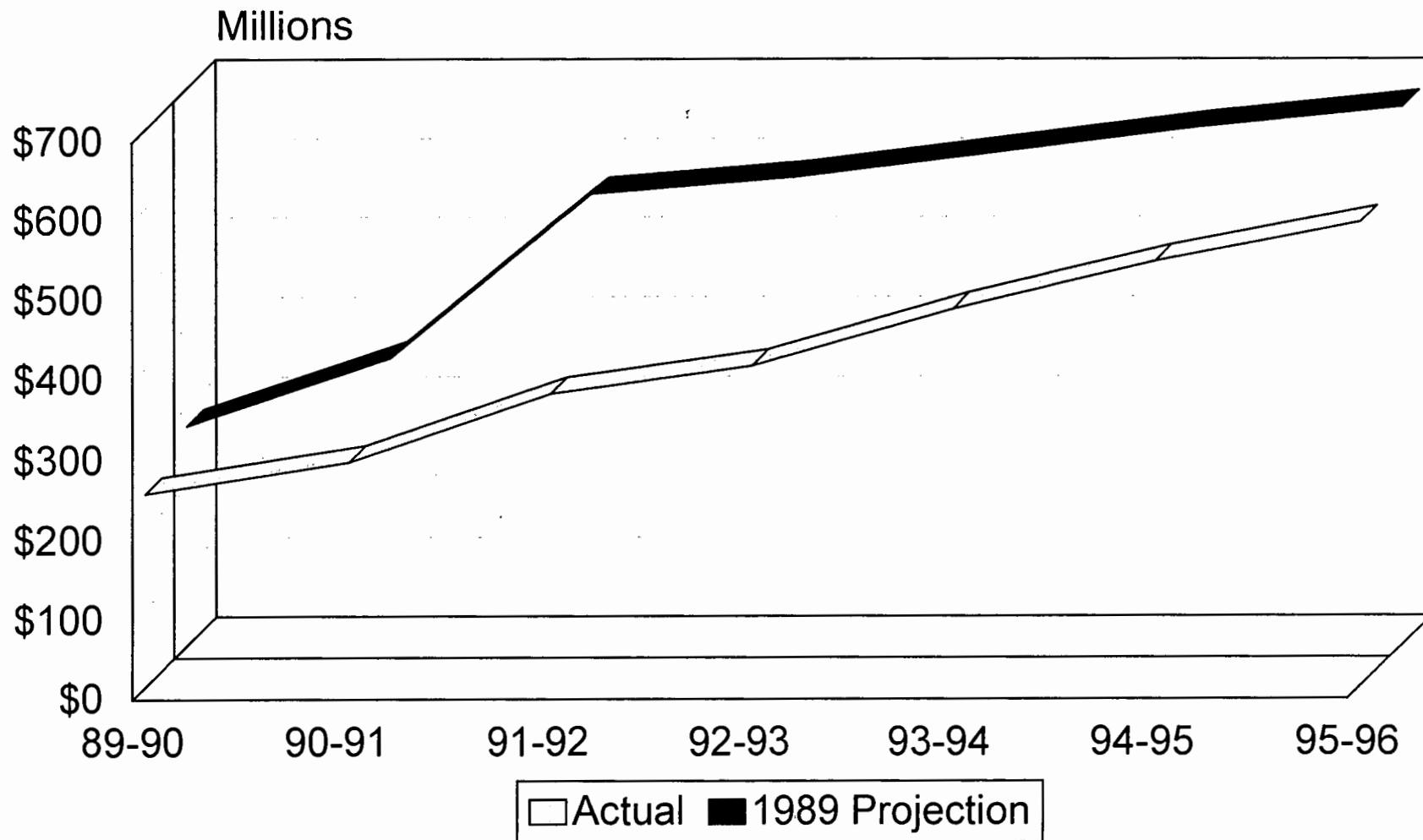


HIGHWAY TRUST FUND UPDATE

Joint Transportation Appropriations Subcommittee

2/19/97

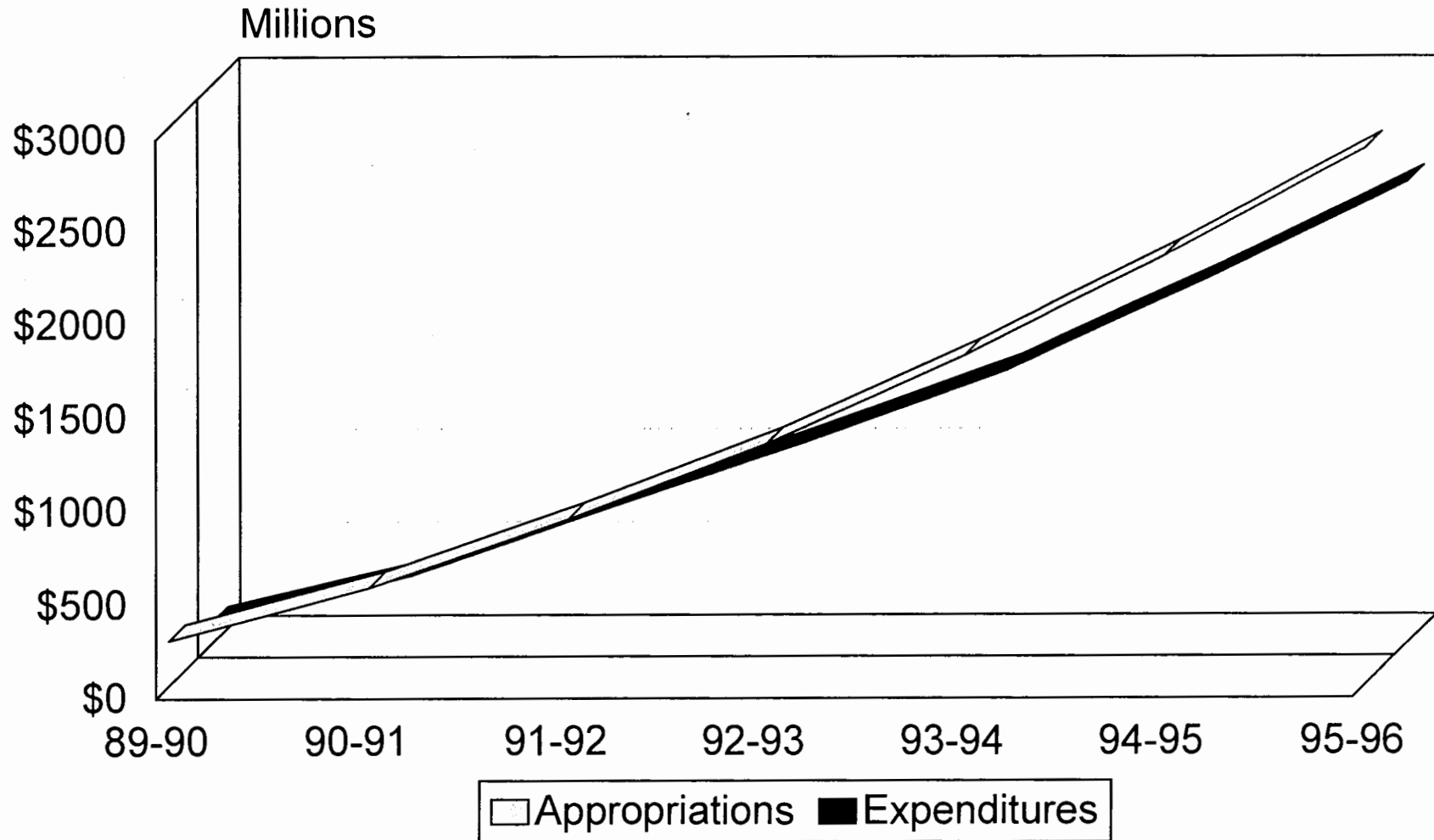
Highway Trust Fund Revenues



NOTE: Net of General Fund Transfer

Trust Fund Appropriations and Expenditures

Cumulative For Each Year



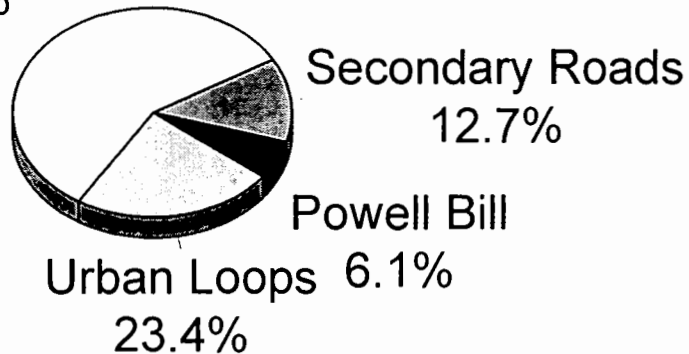
NOTE: Net of General Fund Transfer

Trust Fund Appropriations and Expenditures

Cummulative Through 1995-96

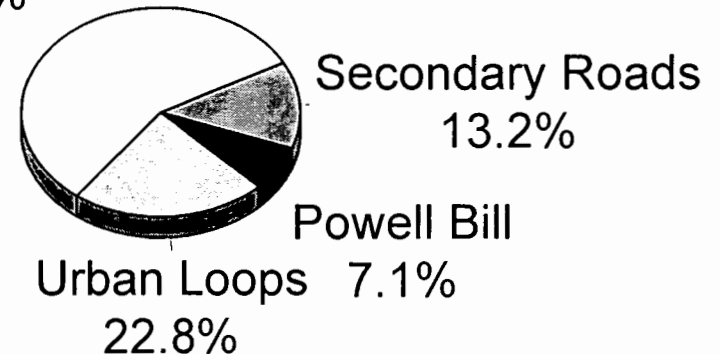
Appropriations

Intrastate
57.8%



Expenditures

Intrastate
56.9%



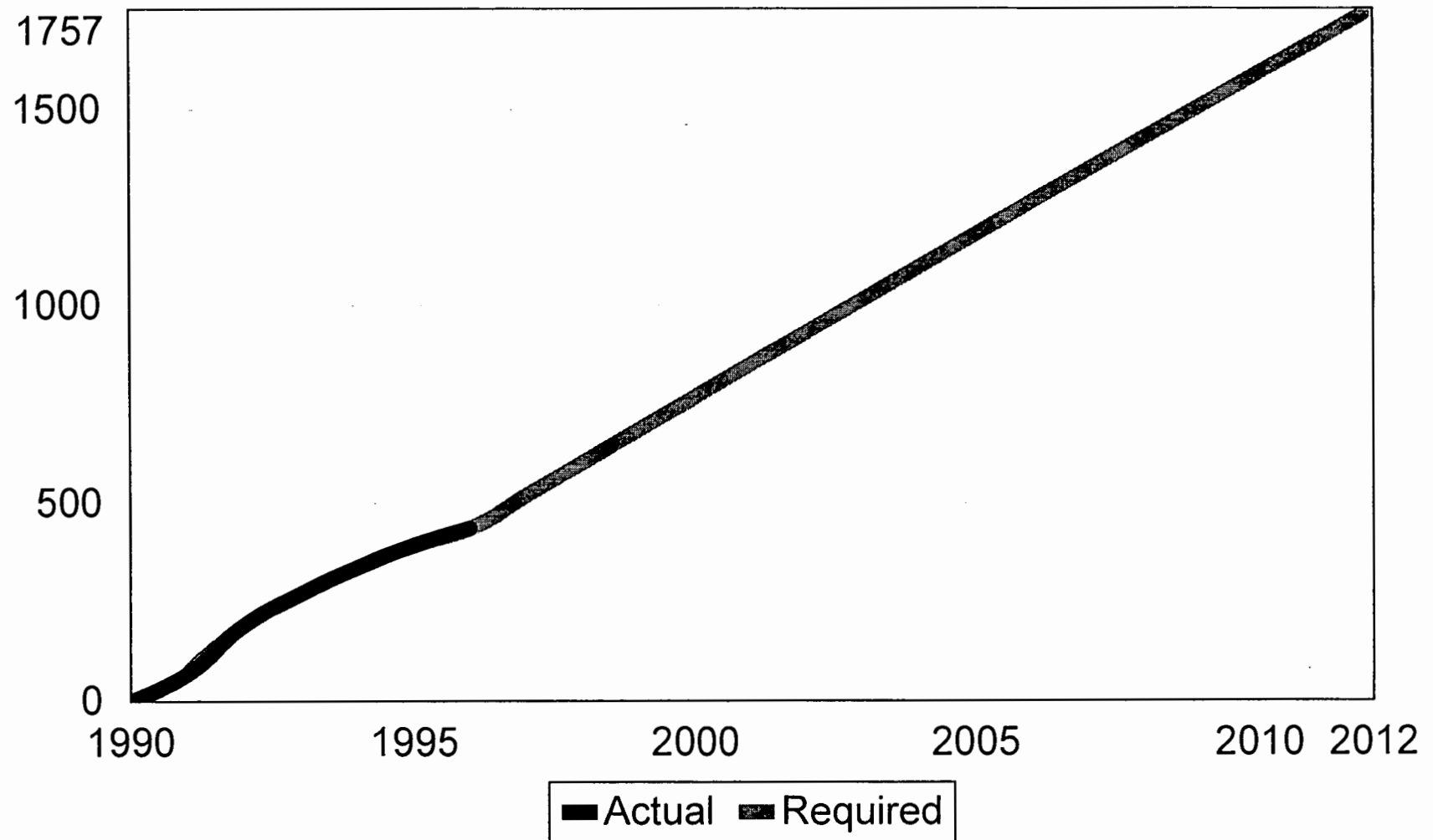
NOTE: Net of General Fund Transfer

Right Way

Route	Total Miles	Route Status			Fully Funded Construction		Federal Dollars Authorized As of 9/30/96	State Dollars Authorized As of 9/30/96	Total Dollars Authorized As of 9/30/96	Remaining Costs Per 6/96 TIP (Excludes PE)	Total Cost
		PE	ROW	Const.	Miles	% of Total					
I-40	21.4	X	X	X	1.3	6.1%	\$27,800,000	\$3,050,000	\$30,850,000	\$112,040,000	\$142,890,000
I-77	8.9	X	X	X	10.9	122.5%	26,125,000	32,845,798	58,970,798		58,970,798
I-85	68.1	X	X	X	57.0	83.7%	323,288,851	52,057,665	375,348,516	165,358,000	540,706,516
I-95	N/A					N/A					
US-1	100.1	X	X	X	31.6	25.1%	40,850,387	132,690,698	173,541,085	164,990,000	338,531,085
US-13	45.9	X				0.0%	800,000	1,600,000	2,400,000	147,490,000	149,890,000
US-17	188.8	X	X	X	53.0	20.4%	63,736,382	156,237,296	219,973,678	597,394,000	817,367,678
US-19/19E	29.7					0.0%				85,900,000	85,900,000
US-19	28.1	X	X	X	2.3	8.1%	10,408,518	850,000	11,258,518	328,675,000	339,933,518
US-23	30.0	X	X	X	4.7	9.9%	44,046,379	11,218,949	55,265,328	191,900,000	247,165,328
US-23-441	11.4	X	X	X	11.0	52.6%	6,812,000	26,527,910	33,339,910		33,339,910
US-52	22.5	X	X	X	12.6	56.0%	39,480,479	78,346,594	117,827,073	20,700,000	138,527,073
US-64(I95 to US17)	98.5	X	X	X	23.1	16.4%	29,661,899	125,972,357	155,634,256	413,175,000	568,809,256
US-64(Lex to Ral)	84.9	X	X	X	19.9	14.1%	67,944,491	22,155,952	90,100,443	111,950,000	202,050,443
US-70	64.9	X	X	X	9.5	15.4%	17,998,176	26,801,133	44,799,309	379,865,000	424,664,309
US-74	51.7	X	X	X	17.4	1.9%	57,150,360	71,965,797	129,116,157	269,350,000	398,466,157
US-74(I26 TO I85)	18.3		X	X	18.3	100.0%	18,738,110	28,103,217	46,841,327		46,841,327
US-158	240.3	X	X	X	10.6	4.4%	1,225,000	43,562,356	44,787,356	478,845,000	523,632,356
Mid-Currituck Bridge	9.9	X	X			0.0%		2,100,000	2,100,000	80,000,000	82,100,000
US-221	70.2	X	X	X	2.0	2.8%	12,952,064	12,379,111	25,331,175	166,720,000	192,051,175
US-220	30.1	X	X	X	20.7	68.8%	54,204,022	33,579,800	87,783,822	158,760,000	246,543,822
US-220(to VA Line)	30.6	X	X	X	7.9	21.9%		36,050,000	36,050,000	10,800,000	46,850,000
US-264	27.1	X	X	X	21.2	53.1%	62,193,131	21,307,745	83,500,676	81,470,000	164,970,676
US-321	38.5	X	X	X	23.0	34.9%	68,434,260	16,294,939	84,729,199	66,100,000	150,829,199
US-421(Tn to I40)	63.3	X	X	X	9.9	15.6%	14,241,934	43,711,821	57,953,755	218,920,000	276,873,755
US-421(G'boro to Sanford)	37.4	X	X	X	12.3	32.9%	20,278,826	1,005,410	21,284,236	141,200,000	162,484,236
NC-24(& NC-24-27)	211.7	X	X	X	43.4	15.8%	36,149,990	66,112,963	102,262,953	552,070,000	654,332,953
NC-87	81.2	X	X	X	10.6	13.1%	32,540,789	34,417,495	66,958,284	147,180,000	214,138,284
NC-105	14.6					0.0%				34,700,000	34,700,000
NC-168	18.5	X	X	X	3.0	16.2%		36,921,000	36,921,000	24,200,000	61,121,000
NC-194	10.3					0.0%				26,850,000	26,850,000
TOTAL INTRASTATE	1,756.9				437.2	24.9%	\$1,077,061,048	\$1,117,866,006	\$2,194,927,054	\$5,176,602,000	\$7,371,530,854

Intrastate System Miles Funded

Cumulative Miles



Route	Total Miles	Route Status			Fully Funded Construction		Federal Dollars	State Dollars	Total Dollars	Remaining Costs	Total Cost
		PE	ROW	Const.	Miles	% of Total	Authorized As of 9/30/96	Authorized As of 9/30/96	Authorized As of 9/30/96	Per 6/96 TIP (Excludes PE)	
Asheville Western Loop	3.2					0.0%	500,000		500,000	117,000,000	117,500,000
Charlotte Outer Loop	68.1	X	X	X	26.1	32.7%	303,769,077	47,155,080	350,924,157	540,620,000	891,544,157
Durham Northern Loop	16.4	X				0.0%		1,500,000	1,500,000	133,980,000	135,480,000
Greensboro Loop	41.6	X	X			0.0%	31,475,000	44,083,822	75,558,822	612,825,000	688,383,822
Raleigh Outer Loop	38.0	X	X	X	5.1	13.4%	190,901,962	22,747,846	312,649,806	388,700,000	701,349,806
Wilmington Bypass	20.2	X				0.0%	1,400,000	2,450,000	3,850,000	242,250,000	246,100,000
Winston-Salem N Belt	24.5	X				0.0%		13,260,000	13,260,000	329,830,000	343,090,000
TOTAL LOOPS	212.0				31.2	14.7%	\$528,046,039	\$131,196,748	\$659,242,787	\$2,365,205,000	\$3,123,447,785

NOTE: Construction of remaining loops is scheduled to begin as follows:

Asheville	2001
Durham	2001
Greensboro	1998
Wilmington	1998
Winston-Salem	1998 (Western Loop)

County	89-96 Miles Paved	Jan. 1996 Unpaved Mileage	Unpaved Mileage 50 or More Vehicles Per Day	50+ Vehicle Per Day Miles As A Percentage of Unpaved Miles
Alamance	52.44	91.89	44.28	48.2%
Alexander	36.80	93.89	47.33	50.4%
Alleghany	57.00	144.01	57.60	40.0%
Anson	23.84	80.76	8.44	10.5%
Ashe	95.00	326.33	192.12	58.9%
Avery	45.73	111.78	77.44	69.3%
Beaufort	97.37	178.26	111.99	62.8%
Bertie	51.10	112.79	29.55	26.2%
Bladen	55.13	108.19	49.28	45.5%
Brunswick	78.98	99.04	81.73	82.5%
Buncombe	96.93	203.09	142.64	70.2%
Burke	74.57	144.28	95.00	65.8%
Cabarrus	28.24	64.88	30.65	47.2%
Caldwell	85.04	174.43	125.89	72.2%
Camden	17.75	35.10	21.82	62.2%
Carteret	18.28	28.85	21.58	74.8%
Caswell	53.30	99.95	30.45	30.5%
Catawba	59.70	89.29	47.31	53.0%
Chatham	93.81	185.57	95.09	51.2%
Cherokee	78.46	163.93	67.99	41.5%
Chowan	11.86	23.44	4.97	21.2%
Clay	31.01	61.00	26.77	43.9%
Cleveland	63.42	143.70	44.38	30.9%
Columbus	72.77	183.63	107.92	58.8%
Craven	65.87	118.76	82.05	69.1%
Cumberland	81.52	106.71	75.57	70.8%
Currituck	14.23	35.69	16.06	45.0%
Dare	2.87	8.56	1.45	16.9%
Davidson	91.47	164.66	74.81	45.4%
Davie	43.17	71.47	39.17	54.8%
Duplin	88.93	116.63	58.02	49.7%

County	89-96 Miles Paved	Jan. 1996 Unpaved Mileage	Unpaved Mileage 50 or More Vehicles Per Day	50+ Vehicle Per Day Miles As A Percentage of Unpaved Miles
Durham	59.60	96.82	65.18	67.3%
Edgecombe	27.19	29.63	18.60	62.8%
Forsyth	58.09	86.17	45.34	52.6%
Franklin	44.26	79.79	36.60	45.9%
Gaston	47.62	66.32	39.95	60.2%
Gates	30.89	70.71	44.41	62.8%
Graham	24.04	46.96	19.77	42.1%
Granville	94.16	175.98	96.35	54.8%
Green	24.22	45.91	19.60	42.7%
Guilford	103.90	195.74	103.14	52.7%
Halifax	61.57	99.96	42.46	42.5%
Harnett	71.02	116.79	78.51	67.2%
Haywood	67.53	159.73	100.24	62.8%
Henderson	100.08	234.10	164.02	70.1%
Hertford	30.58	59.85	25.14	42.0%
Hoke	11.38	21.33	5.84	27.4%
Hyde	23.27	50.25	18.76	37.3%
Iredell	86.05	203.70	84.93	41.7%
Jackson	78.54	201.07	117.85	58.6%
Johnston	117.71	200.02	110.82	55.4%
Jones	17.47	38.01	24.84	65.4%
Lee	16.73	25.19	11.46	45.5%
Lenoir	60.30	97.57	59.76	61.2%
Lincoln	49.45	79.99	50.95	63.7%
Macon	84.99	205.12	94.41	46.0%
Madison	70.88	222.52	109.41	49.2%
Martin	44.60	75.96	39.60	52.1%
McDowell	52.72	92.03	63.26	68.7%
Mecklenburg	18.96	42.92	28.91	67.4%
Mitchell	36.03	91.50	60.60	66.2%
Montgomery	30.14	78.54	12.05	15.3%

County	89-96 Miles Paved	Jan. 1996 Unpaved Mileage	Unpaved Mileage 50 or More Vehicles Per Day	50+ Vehicle Per Day Miles As A Percentage of Unpaved Miles
Moore	50.01	119.86	36.63	30.6%
Nash	41.34	68.19	33.40	49.0%
New Hanover	7.37	7.10	4.52	63.7%
Northampton	38.81	78.76	28.70	36.4%
Onslow	41.07	49.69	33.27	67.0%
Orange	82.82	125.29	89.41	71.4%
Pamlico	22.00	45.14	20.85	46.2%
Pasquotank	22.55	40.22	23.22	57.7%
Pender	43.02	67.57	36.81	54.5%
Perquimans	29.85	44.66	27.38	61.3%
Person	87.92	151.73	94.17	62.1%
Pitt	91.00	147.78	84.43	57.1%
Polk	44.85	112.36	70.42	62.7%
Randolph	154.22	264.76	156.22	59.0%
Richmond	23.90	64.63	14.94	23.1%
Robeson	105.78	131.91	58.05	44.0%
Rockingham	100.71	239.85	80.16	33.4%
Rowan	66.16	148.70	63.61	42.8%
Rutherford	108.98	193.53	122.45	63.3%
Sampson	91.91	99.32	35.90	36.1%
Scotland	21.92	41.58	11.79	28.4%
Stanly	48.92	107.48	55.04	51.2%
Stokes	95.93	212.86	96.11	45.2%
Surry	146.66	253.88	156.06	61.5%
Swain	23.17	62.12	29.38	47.3%
Transylvania	43.26	95.77	77.67	81.1%
Tyrrell	12.64	37.93	1.30	3.4%
Union	91.23	160.09	94.83	59.2%
Vance	25.71	40.61	17.03	41.9%
Wake	111.77	181.48	127.32	70.2%
Warren	70.76	129.99	44.28	34.1%

County	89-96 Miles Paved	Jan. 1996 Unpaved Mileage	Unpaved Mileage 50 or More Vehicles Per Day	50+ Vehicle Per Day Miles As A Percentage of Unpaved Miles
Washington	24.68	55.42	21.81	39.4%
Watauga	84.16	213.53	160.05	75.0%
Wayne	52.83	73.28	34.18	46.6%
Wilkes	160.93	404.69	204.62	50.6%
Wilson	28.67	59.70	30.90	51.8%
Yadkin	75.99	135.46	70.31	51.5%
Yancey	41.56	97.11	65.44	67.4%
Total	5,825.62	11,425.77	6,114.77	53.5%

VISITOR REGISTRATION SHEET

APPROPRIATIONS-DEPARTMENT OF TRANSPORTATION

Committee

2-19-97

Date _____

VISITORS: Please sign below and return to Committee Clerk

NAME	FIRM or AGENCY and ADDRESS
Wayne Herd	NC DMV
G. L. Jeltz	DMV Enforcement
Terry Arrowood	DMV ENG
Paul Howard	DMV - Vehicle Reg.
Ruth Sappie	DOT
ED CARR	DMU
Charles Watson	DOT
Mitch Leonard	SEANC
Jim Scarborough	NCCPT
Rob Nelson	OSBM
DAVID HERUNG	OSPL
DAVID C. RICHARDS	DMU - Comm. Office
Mitzi B. Powell	DMU - Comm. Office
Fred Aikens	DOT
Carol Simon	DOT
Wayne Stallnes	✓
Mercedes Benton	DOT
V. L. McBride	NCTA
Christy Barber	CAPA
PLT ~~Robert Glick~~	NCASA

Today's Pages are:

Date: 2/19/97

Name: Raymond McCall

Home: Harnett

Sponsored By: Rep. Don Davis

Name: Marid Meadows

Home: Johnston

Sponsored By: Rep Creech

Name: Jenni Levenbook

Home: Baileigh

Sponsored By: Sen. Marc Basnight

**THE JOINT LEGISLATIVE
APPROPRIATIONS
SUB-TRANSPORTATION COMMITTEE**

**FEBRUARY 20, 1997
8:30 AM
ROOM 1327**

The Joint Legislative Appropriations/Sub-Transportation Committee met in Room 1327 at 8:30 is on Thursday, February 20, 1997. **Representative Joanne Bowie** called the meeting to order. Visitor's Sheet attached.

Members Present:

Rep. Joanne Bowie, Co-Chair
Rep. Ed McMahan, Co-Chair
Rep. Thomas Hardaway
Rep. Jim Gulley
Rep. Drew Saunders

Rep. Jerry Dockham, Co-Chair
Rep. Bobby Barbee
Rep. Bill Hiatt
Rep. Mary McAllister
Rep. Ronnie Sutton

Five Senators

Representative Bowie introduced **Mr. Will Plentl, Director of Aviation, Department of Transportation**. Mr. Plentl gave a brief overview of the growth of aviation in North Carolina. The Division moves 33 million passengers through the airlines per year utilizing 16,000 pilots and 6,000 aircraft. Mr. Plentl noted that a study completed by UNCC indicated the economic impact of aviation in North Carolina is approximately 9.4 billion dollars a year; about 5 billion of that amount is in direct salaries.

The North Carolina Aviation Division has several programs in place making it one of the best:

- An Aviation Development Program (airport assistance throughout the State).
- A State Block Grant Program - (Federal Government turns over the responsibility of Federal funds for the smaller airports to the State).
- A Safety Program working with the FFA pilots and mechanics throughout the State.
- Four (4) aircraft support the Department of Transportation Highway Division, primarily for engineering work with aerial photography.

Discussion took place.

David King, Deputy Secretary, Transit, Rail & Aviation, Department of Transportation next introduced **Curtis Yates, Office of Bicycle and Pedestrian Transportation** (*see attachment I - pg. 1-3*). The bicycle program is 22 years old—created by the General Assembly in 1974. The mission of this Division is to decrease bicyclist and pedestrian injuries and fatalities on streets, highways, and other public rights-of-way by improving the corridors and the travel environment for safe bicycle and pedestrian use.

Mr. Yates briefly reviewed the Bicycle Safety Program, the Bicycle Facility Program and the Bicycle TIP (Transportation Improvement Program) process. Discussion took place.

Mr. King next introduced **Mr. Jerry Gaskell, Ferry Division, DOT**, who spoke in regard to the North Carolina Ferry System. Mr. Gaskell noted that North Carolina has the second largest ferry system in the country; running 24 ferries operating from Brunswick county to Currituck county with seven (7) locations. Last year the system transported over 900,000 vehicles and 2.2 million passengers. One of the most important roles of the Ferry System is to evacuate people, specifically, in case of a hurricane. The Ferry System is totally responsible for evacuating the outer banks.

The Ferry Division has their own ship yard in Mann's Harbor, Dare County. It is the most modern and the best equipped facility on the East Coast where complete overhaul and repair take place; no repair work is contracted out-of-state. Discussion took place. Representative McAllister suggested the Committee visit Mann's Harbor to view the shipyard. The Committee was in favor and hope to plan a trip in the near future. Mr. Gaskell noted that beginning in 1996 the Ferry System opened concessions on seven (7) of the ferries and realized a fifty-four percent profit.

Mr. King next introduced **Sanford Cross, Director Public Transportation, DOT**. Mr. Cross noted that Public Transportation is the responsibility of local government and the Division's responsibility is to help local transit programs provide safe, convenient, and reliable services to as many people as possible at the lowest cost. North Carolina has 83 public transportation programs in rural areas that serve 100 counties; operating over 1400 vehicles daily. The system primarily provides service to clients of human service agencies. The Department works very closely with the Department of Human Resources to coordinate transportation at the local level with the county human service transportation. Mr. Cross noted the Division also provides training programs throughout the State.

Mr. Cross feels the Division is doing a great job meeting the needs of North Carolina citizens in most all areas. However, he noted the needs of people in rural areas, who are not clients of a human service agency, are not being met.

Pat Simmons, Director of Rail Division, Department of Transportation presented a report on the Rail Industry. Mr. Simmons spoke of the success of our rail passenger service,

specifically; the *Carolinian*. In 1995 the *Piedmont* was inaugurated. This train operates only within North Carolina and with North Carolina equipment.

Mr. Simmons noted the Rail Division has a program to service "rail stations" keeping them clean and well serviced. The Division is also working on improving travel time to the Raleigh and Charlotte corridor and from Raleigh north to connect with the northeast corridor. Mr. Simmons provided a handout - Rail Industrial Access Programs Summary of Projects (see attachment II. (a, b & c)).

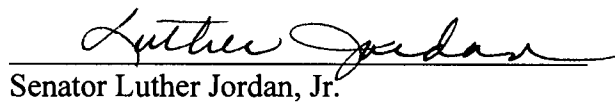
The Rail Safety Program was discussed. Mr. Simmons noted that in 1996 the General Assembly transferred the "Rail Safety Inspector's Program" from the Utilities Commission to the Rail Division. A report will be forthcoming from the Rail Division on how this program is working and any improvements or changes the Rail Division feels appropriate to serve rail safety.

Meeting adjourned at 9:35 am.

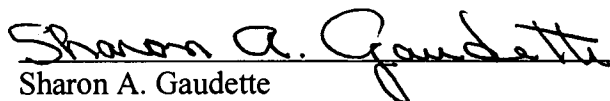
Respectfully submitted:



Representative Joanne W. Bowie
Co-Chair



Senator Luther Jordan, Jr.
Co-Chair



Sharon A. Gaudette
Committee Clerk

VISITOR REGISTRATION SHEET

APPROPRIATIONS-DEPARTMENT OF TRANSPORTATION

Committee

2-20-97

Date

VISITORS: Please sign below and return to Committee Clerk

NAME

FIRM or AGENCY and ADDRESS

PATRICK SIMMONS	NCDOT - Rail
SANFORD CROSS	NCDOT - Public Transit
CURTIS YATES	NCDOT - BIKE/PEO
JERRY GASKILL	NCDOT FERRY
CHARLIE KIRK	NCDOT FERRY
VL McBride	NCTA
JOHN F. LONG	MARTIN Marietta
J. Mac Baxley	N.C. Aggregates Assoc.
Rob Nelson	OSBM
Mitch Leonard	SEANC
Christina Tharpe	CHDA
David King	NCDOT
James Wood	None
Topsy Skinner	NCDOT
Brook M. Muel	NCDOT
Chris Scott	NC APL-cio
Will D. Dent	NCDOT - Auditing

CURTIS YATES
H. R. 1-3

OFFICE OF BICYCLE AND PEDESTRIAN TRANSPORTATION

- Bicycling is one of oldest forms of transportation; yet one of the newest modes in the transportation picture today.

- Bicyclists at the turn of the century lobbied strongly for the good roads movement we have today -- they wanted to get out of the mud and ruts of the horse carriages.

- North Carolina's Bicycle Program is 22 years old -- created by the General Assembly in 1974. We are the oldest such program in the nation.

- Pedestrian -- Added by ISTEA in 1991

- **MISSION** -- The mission of this Office is to decrease bicyclist and pedestrian injuries and fatalities on North Carolina's streets, highways, and other public rights-of-way by improving these corridors and the travel environment for safe bicycle and pedestrrina use.

- **ACCIDENTS -- Annually**

over 20,000 are hurt requiring medical help
over 3000 are in crashes with automobiles
400 are never fully recover
30 die

- **1974 mandates from General Assembly**

1) assist localities in bicycle safety and building bicycle facilities

2) develop policies, procedures and standards for building bicycle facilities and for the safety of bicyclists and motorists

3) develop demonstration projects and safety training programs

4) develop and construct a state bicycle system

- **To make bicycling safer in North Carolina, we partnership with localities to**

1) build bicycle facilities, and

2) educate and train bicyclists.

- **BICYCLE SAFETY PROGRAM IS BEST IN NATION**

Basics of Bicycling
Helmet promotion

Jones County

- **BICYCLE FACILITY PROGRAM IS THE MOST COMPREHENSIVE IN NATION**

Incidental bicycle facilities

- Paved Shoulders
- Wider lanes
- Safe drainage grates
- Safe bridge railings

Independent bicycle facilities

- Greenways
- Abandoned rail corridors
- Bike paths
- Bike lanes
- Bicycle racks on buses
- Bicycle storage on trains
- Bicycle Parking
- Bicycle maps

- **The Bicycle-TIP Process**

- Project requests from local areas are handled just like highway projects
- Projects are funded
80% Federal/20% State

**NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
RAIL INDUSTRIAL PROCESS PROGRAMS
SUMMARY OF PROJECTS Feb-1997**

COMPANY NAME	LOCATION	STATE FUNDING	PROJECT STATUS	EMPLOY. YR 1	YR 3	INVEST. millions	RAIL CARS
<u>FY 1994</u>							
AlSCO-Amerimark	Fair Bluff	\$ 150,000	Completed	67	130	\$ 10	200
Eritech	Aberdeen	\$ 25,000	Completed	100	150	\$ 6.5	30
Dopaco Inc.	Kinston	\$ 35,000	Completed	200	350	\$ 25	250
		\$ 210,000		367	630	\$ 42	480
<u>FY 1995</u>							
Wolverine Tube	Roxboro	\$ 104,136	Completed	250	400	\$ 37	12
Tolaram Polymers	Asheboro	\$ 35,000	Completed	65	65	\$ 35	250
Release International	Eden	\$ 135,000	Completed	140	140	\$ 25	250
Coastal Cottonseed	Kinston	\$ 82,000	Completed	8	8	\$ 1	130
InoLex Chemical	Selma	\$ 45,000	Begin 1998	20	100	\$ 1.5	300
Southern Container	Mooreville	\$ 68,696	Completed	45	130	\$ 20	1,000
Logic Marine	Durham	\$ 73,150	Design Phase	75	100	\$ 2.5	75
Case Farms	Morganton	\$ 160,000	Completed	190	380	\$ 8.6	2,500
Builders Supply	Mebane	\$ 56,411	To be announ.	40	100	\$ 10	400
		\$ 759,393		833	1423	\$ 141	4,917
<u>FY 1996</u>							
Amphenol	Liberty	\$ 51,100	Design Phase	80	200	\$ 10	250
PYA Monarch	Zebulon	\$ 76,500	On-hold	200	600	\$ 25	150
Empire Industries	Taboro	\$ 14,265	Completed	350	350	\$ 30	300
Imperial Freezer	Sanford	\$ 59,220	Underway	51	51	\$ 8	50
Gulf States Paper	Claremont	\$ 162,797	Completed	35	35	\$ 11	760
Polar Plastics	Mooreville	\$ 300,000	Underway	100	300	\$ 25	600
		\$ 663,882		816	1,536	\$ 109	2,110
<u>FY 1997</u>							
Weyerhaeuser	Hanrahan	\$ 135,020	Completed	10	10	\$ 35	500
FMC - Lithium Div.	Bessemer City	\$ 139,000	Underway	50	50	\$ 10	50
Brown's of Carolina	Bladenboro	\$ 139,000	Underway	35	65	\$ 13	3,600
FNA Polymer Corp.	Mooreville	\$ 25,200	Design Phase	40	40	\$ 25	200
Interstate Bakeries	Rocky Mount	\$ 120,204	Design Phase	100	100	\$ 20	425
Shurtape Technolog.	Hudson	\$ 35,000		50	50	\$ 20	85
		\$ 593,424		285	315	\$ 123	4,860
TOTAL		\$ 2,226,699		\$ 2,301	\$ 3,904	\$ 414	\$ 12,367
FY 1997 Balance		\$ 101,577					

H
9

Rail Division
North Carolina Department of Transportation
P.O. Box 25201 Raleigh, N.C. 27611-5201

Phone: (919) 733-4713
Fax: (919) 733-1391

Governor James B. Hunt Jr.
Secretary Garland B. Garrett, Jr.

NORTH CAROLINA RAILROAD SYSTEM

RAIL INDUSTRIAL ACCESS PROJECTS



Legend

- Existing Rail Corridor
- - - Preserved Rail Corridor (Tracks Removed)
- ▬ Military Base
- State Line

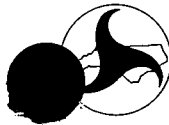
REPORTING MARK	RAILROAD NAME	REPORTING MARK	RAILROAD NAME
ACWR	Aberdeen Carolina & Western Railway	LRS	Laurinburg & Southern Railroad
AR	Aberdeen & Rockfish Railroad	NCDOT	North Carolina Department of Transportation
ARC	Alexander Railroad	NCRR	North Carolina Railroad Company
ATW	Atlantic & Western Railway	NCVA	North Carolina & Virginia Railroad
BMH	Beaufort & Morehead Railway	NCYR	Nash County Railroad
CA	Chesapeake & Albemarle Railroad	NHV	New Hope Valley Railroad
CALA	Carolina Southern Railroad	NS	Norfolk Southern Corporation
CFR	Cape Fear Railways	PDRR	Pee Dee River Railway
CLJF	Cliffside Railroad	RSNR	Red Springs & Northern Railroad
CLNA	Carolina Coastal Railway	SUR	State University Railroad
CPLJ	Camp Lejeune Railroad	TBRY	Thermal Belt Railway
CRU	Carolina Rail Services	US	US Military
CSX	CSX Transportation	VSR	Virginia Southern Railroad
CWCY	Caldwell County Railroad	WSS	Winston-Salem Southbound Railway
DER	Dunn-Erwin Railway	WTRY	Wilmington Terminal Railroad
GSMR	Great Smoky Mountains Railway	YAN	Black Mountain Railroad
HTPD	High Point, Thomasville & Denton Railroad	YVRR	Yadkin Valley Railroad

NCDOT WEB SITE
<http://www.dot.state.nc.us/DOT/>

AMTRAK STATIONS IN NORTH CAROLINA
Burlington Gastonia Kannapolis Selma
Charlotte Greensboro Raleigh Southern Pines
Durham Hamlet Rocky Mount Wilson
Fayetteville High Point Salisbury
FOR MORE INFORMATION CALL: 1-800-USA-RAIL



January 1996

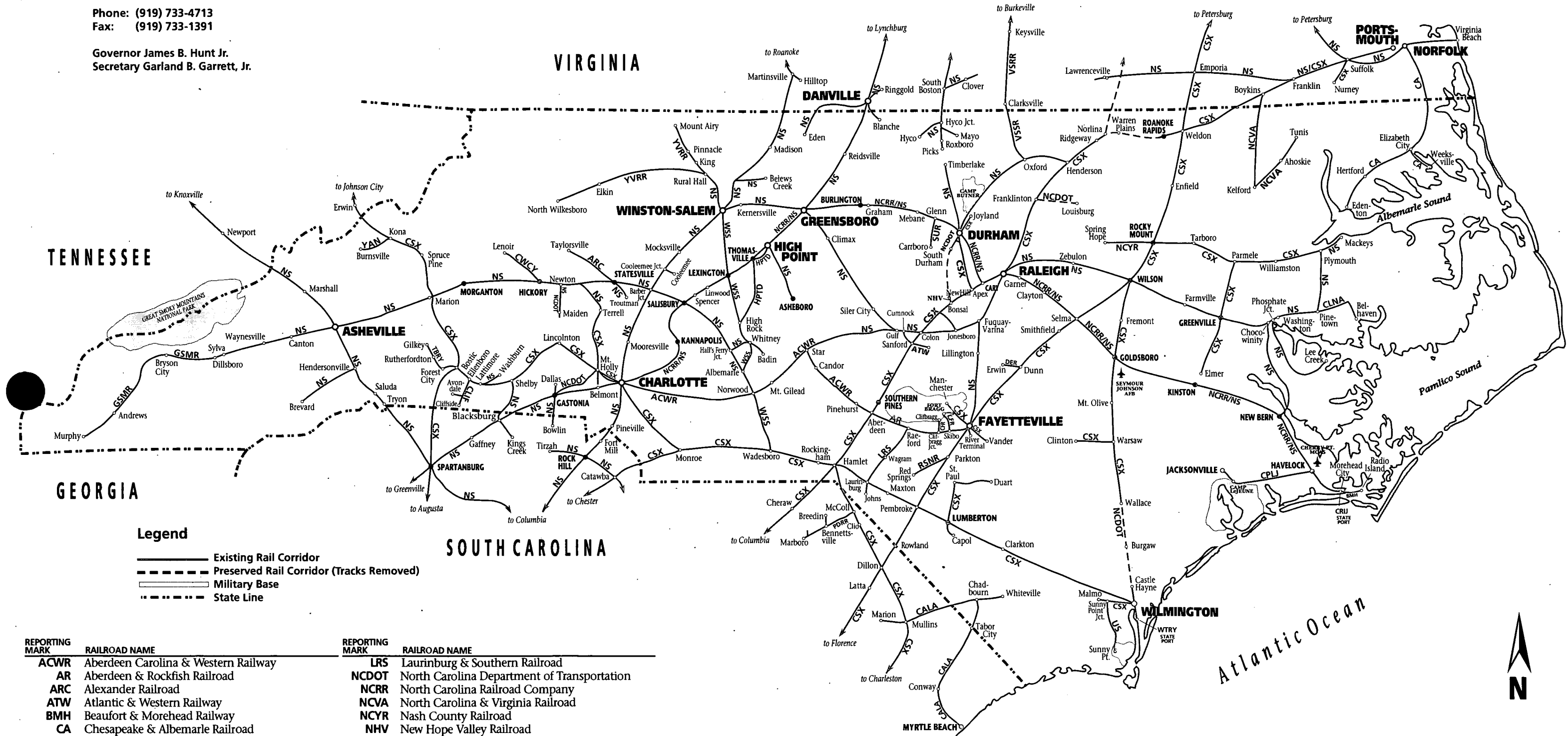


Rail Division
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NORTH CAROLINA RAILROAD SYSTEM



Legend

- Existing Rail Corridor
- Preserved Rail Corridor (Tracks Removed)
- Military Base
- State Line

REPORTING MARK	RAILROAD NAME	REPORTING MARK	RAILROAD NAME
ACWR	Aberdeen Carolina & Western Railway	LRS	Laurinburg & Southern Railroad
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BMH	Beaufort & Morehead Railway	NCYR	Nash County Railroad
CA	Chesapeake & Albemarle Railroad	NHV	New Hope Valley Railroad
CALA	Carolina Southern Railroad	NS	Norfolk Southern Corporation
CFR	Cape Fear Railways	PDRR	Pee Dee River Railway
CLIF	Cliffside Railroad	RSNR	Red Springs & Northern Railroad
CLNA	Carolina Coastal Railway	SUR	State University Railroad
CPLJ	Camp Lejeune Railroad	TBRY	Thermal Belt Railway
CRU	Carolina Rail Services	US	US Military
CSX	CSX Transportation	VSRR	Virginia Southern Railroad
CWCY	Caldwell County Railroad	WSS	Winston-Salem Southbound Railway
DER	Dunn-Erwin Railway	WTRY	Wilmington Terminal Railroad
GSMR	Great Smoky Mountains Railway	YAN	Black Mountain Railroad
HPTD	High Point, Thomasville & Denton Railroad	YVRR	Yadkin Valley Railroad

NCDOT WEB SITE
<http://www.dot.state.nc.us/DOT/>

AMTRAK STATIONS IN NORTH CAROLINA

Burlington	Gastonia	Kannapolis	Selma
Charlotte	Greensboro	Raleigh	Southern Pines
Durham	Hamlet	Rocky Mount	Wilson
Fayetteville	High Point	Salisbury	

FOR MORE INFORMATION CALL: 1-800-USA-RAIL



NORTH CAROLINA RAILROADS

CLASS I

<u>Reporting Mark</u>	<u>Railroad/Address</u>	<u>Contact</u>
CSX	CSX TRANSPORTATION State Headquarters: Raleigh, NC 27606 5540 Centerview Drive, Suite 425	Lyman Cooper, Resident VP 919/851-5433; 919/851-9560 FAX R. Carter Houchins, Manager, Industrial Dev. 704/563-4611; 704/563-4617 FAX
	Corporate Headquarters: Jacksonville, FL 32202, 500 Water Street	A. R. Carpenter, President & CEO 904/359-7699
	Florence Service Lane: Florence, SC 29506, 100 Oakland Avenue	J. Randall Evans, General Mgr. 803/664-8200
NS	Blue Ridge Division: Erwin, TN 37650, 229 Nolichucky Avenue	D. H. Shepherd, Division Superintendent 423/743-2710
	NORFOLK SOUTHERN CORPORATION State Headquarters: Raleigh, NC 27608, 1500 Carson Street	Dunwood Laughinghouse, Resident VP 919/831-3002; 919/831-3041 FAX James Bowman, Industrial Dev. 919/831-3092; 919/831-3041 FAX
	Corporate Headquarters: Norfolk, VA 23510, Three Commercial Place	David R. Goode, Chairman, President & CEO 804/629-2600
	Piedmont Division: Greenville, SC, 29601, 1120 W. Washington St.	Eugene Green, Superintendent 803/255-4210
	Virginia Division: Roanoke, VA 24042, 110 Franklin Rd. SE	D. A. Brown, Superintendent 540/981-4476

AFFILIATED WITH A CLASS I

<u>Reporting Mark</u>	<u>Railroad/Address</u>	<u>Affiliation/Contact</u>	<u>Ownership</u>	
CPLJ	CAMP LEJEUNE RAILROAD	Norfolk Southern Corporation	USMC	RIGHT-OF-WAY
HPTD	HIGH POINT, THOMASVILLE & DENTON RR	Winston-Salem Southbound Railway	CSX & NS	CORPORATE
SUR	STATE UNIVERSITY RAILROAD	Norfolk Southern Corporation	NS & NCRR	RIGHT-OF-WAY
US	US ARMY RAILROAD		US Army	RIGHT-OF-WAY
WSS	WINSTON-SALEM SOUTHBOUND RAILWAY Winston Salem, NC 27120-0204, PO Box 20204	H.W. Usrey, Trainmaster 910/723-3671; 910/723-8373 FAX	CSX & NS	CORPORATE

INDEPENDENTLY OWNED

<u>Reporting Mark</u>	<u>Railroad/Address</u>	<u>Contact</u>	<u>Owner/Operator</u>	
ACWR	ABERDEEN CAROLINA & WESTERN RAILWAY Aberdeen, NC 28315, PO Box 398	Robert Menzies, President 910/944-3165; 910/944-3174 FAX		
AR	ABERDEEN & ROCKFISH RAILROAD Aberdeen, NC 28315, PO Box 917	Edward A. Lewis, President 910/944-2341; 910/944-9738 FAX		
ARC	ALEXANDER RAILROAD Taylorsville, NC 28681, PO Box 277	Benjamin Zachary, General Mgr. 704/632-2103; 704/585-6541 FAX		
ATW	ATLANTIC & WESTERN RAILWAY, L. P. Sanford, NC 27330, PO Box 1208	Billy J. Tucker, General Mgr. 919/776-7521; 919/774-4621 FAX	Rail Partners, L.P. Panama City Beach, FL CORPORATE	
BMH	BEAUFORT & MOREHEAD RAILWAY Morehead City, NC 28557, PO Box 3608	A. T. Leary Jr., President 919/726-1777; 919-726-3759 FAX	NC Ports Railway Commission RIGHT-OF-WAY	
CA	CHESAPEAKE & ALBEMARLE RAILROAD Ahoskie, NC 27910 214 N. Railroad St.	Jeff Forster, General Mgr. 919/338-3777; 919/338-5634 FAX	Rail Tex, San Antonio, TX CORPORATE	NS RIGHT-OF-WAY

INDEPENDENTLY OWNED (Continued)

<u>Reporting Mark</u>	<u>Railroad/Address</u>	<u>Contact</u>	<u>Owner/Operator</u>	
CALA	CAROLINA SOUTHERN RAILROAD Conway, SC 29526, 171 Highway 905	Ken Pippin, President Gladys Atten, V.P., Corporate Affairs 910/654-4134; 910/654-3635 FAX		
CFR	CAPE FEAR RAILWAYS Fort Bragg, NC 28307, PO Box 70090	Randolph Mills 910/497-5008	Seaboard Corp., Shawnee Mission, KS CORPORATE	
CLIF	CLIFFSIDE RAILROAD Greensboro, NC, 27405, 120 Maple St.	Leon Lanier, General Mgr. 910/379-6703	Cone Mills Plant CORPORATE	
CLNA	CAROLINA COASTAL RAILWAY Midlothian, VA 23113, One Park W. Circle #201	J. W. Bentz, President Les Keel, Operations Manager 803/379-4664; 804/379-4668 FAX	Rail Link, Midlothian, VA CORPORATE	
CRIJ	CAROLINA RAIL SERVICES, INC. Raleigh, NC 27607 3100 Smoketree Ct., Suite 801	Sam A. Holcomb, President 919/790-8244; 919/790-8266 FAX	Carolina Rail Services, Inc. CORPORATE NC Ports Railway Commission RIGHT-OF-WAY	
CWCY	CALDWELL COUNTY RAILROAD Morganton, NC 28655, 19 Williams Wood Dr.	Don McGrady, President 704/433-7409; 704/437-9652 FAX	Caldwell County Economic Development Commission RIGHT-OF-WAY	
DER	DUNN-ERWIN RAILWAY Fayetteville, NC 28302, PO Box 1845	Paul T. McArdle, General Mgr. 910/483-3543; 910/483-3557 FAX	Aberdeen & Rockfish RR CORPORATE	
GSMR	GREAT SMOKY MOUNTAINS RAILWAY Dillsboro, NC 28779, PO Box 397	Malcom G. McNeill, President 704/586-8811; 704/586-8806 FAX 800/872-4681	State of North Carolina RIGHT-OF-WAY	
LRS	LAURINBURG & SOUTHERN RAILROAD Laurinburg, NC 28352, PO Box 1929	Murphy Evans, President 910/276-0786; 910/276-2853 FAX		
NCDOT	NORTH CAROLINA DEPT. OF TRANSPORTATION Rail Division Raleigh, NC 27611-5201, PO Box 25201	Patrick B. Simmons, Director 919/733-4713; 919/733-1391 FAX	OWNER OF RIGHTS-OF-WAY	
NCPRC	N.C. PORTS RAILWAY COMMISSION Wilmington, NC 28401, 1717 Woodbine St.	William C. Taylor, General Mgr. 910/762-0916; 910/251-8159 FAX	OWNER OF RIGHTS-OF-WAY	
NCRR	NORTH CAROLINA RAILROAD COMPANY Raleigh, NC 27602, PO Box 2248	John McNair, President Scott Saylor, Staff Counsel 919/829-7355; 919/829-7356 FAX	OWNER OF LEASED RIGHT-OF-WAY	
NCVA	NORTH CAROLINA & VIRGINIA RAILROAD Ahoskie, NC 27910, 214 N. Railroad Street	Jeff Forster, General Mgr. 919/332-2778; 919/332-3325 FAX	Rail Tex, San Antonio, TX CORPORATE	
NCYR	NASH COUNTY RAILROAD Spring Hope, NC 27882, PO Box 487	Pete Claussen President, Gulf & Ohio Railways Ronnie E. McKenzie, General Mgr. 919/478-3939; 919/478-7079 FAX		
RSNR	RED SPRINGS & NORTHERN RAILROAD Laurinburg, NC 28353, PO Box 1929	Murphy Evans, President 910/276-0786; 910/276-2853 FAX	Advancement, Inc. RIGHT-OF-WAY	
TBRY	THERMAL BELT RAILWAY Bostic, NC 28018, PO Box 203	Don McGrady, President 704/433-7409 (Phone/FAX)	Rutherford RR, Dev. Corp. RIGHT-OF-WAY	
VSRR	VIRGINIA SOUTHERN RAILROAD Ahoskie, NC 27910, 214 N. Railroad St.	Jeff Forster, General Mgr. 919/338-2778; 919/332-3325 FAX	Rail Tex, San Antonio, TX CORPORATE	
WTRY	WILMINGTON TERMINAL RAILROAD NC Ports Railway Commission Wilmington, NC 28401, 1717 Woodbine St.	K. Earl Durden, President 904/230-8331; 904/230-8848 FAX	Rail Management, Panama City, FL OPERATOR NC Ports Railway Commission RIGHT-OF-WAY	
YAN	BLACK MOUNTAIN RAILROAD Coral Gables, FL 33134, 3127 Ponce De Leon Blvd.	Walter S. Klements, Sr., President 305/448-9787		
YVRR	YADKIN VALLEY RAILROAD Rural Hall, NC 27405, PO Box 1218	Pete Claussen, President, Gulf & Ohio Railways H.E. "Andy" Anderson, V.P. 910/969-6055; 910/969-9168 FAX	NS RIGHT-OF-WAY	

JOINT APPROPRIATIONS TRANSPORTATION SUBCOMMITTEE

February 25, 1997

Room 1228 Legislative Building 8:00A.M.

Minutes

The Joint Appropriations Subcommittee on Transportation met on February 25, 1997 in room 1228 of the Legislative Building. All five members of the Senate committee attended. The following members of the House committee attended:

Rep. Joanne Bowie
Rep. Bobby Barbee
Rep. Thomas Hardaway
Rep. Mary McAllister
Rep. Ronnie Sutton

Rep. Jerry Dockham
Rep. Jim Gulley
Rep. Bill Hiatt
Rep. Drew Saunders
Rep. James Crawford

Senator Luther Jordan called the meeting to order and introduced the pages. Mr. Paul Zipin, Economist from the Office of State Budget and Management, was introduced.

Mr. Zipin talked about revenue projections. Sixty eight percent of revenue derives from motor fuel tax, thirty percent comes from licenses and fees. 22.6 cents per gallon is motor fuel tax, ¼ cent per gallon is inspection fee. Mr. Zipin handed out a document titled Revenue Outlook for the Highway Fund and Highway Trust Fund, from which he spoke. He further stated that 5 1/2% of projected growth in income is from motor fuels. Income from licenses and fees declined by 1%. All title fees now go to the Highway Trust Fund. In response to a question by Representative Bowie, Mr. Zipin said the anticipated growth rate is different, for example 3% growth rate projected for 1998, and a 1.7% expected for 1999, because the motor fuel tax should be slower due to the economy. He said that staggered licenses were on a four year basis and are now on a five year basis which alters collection pattern.

Rep. Dockham asked for the definition of international registration. Mr. Zipin said that trucks which have a high intrastate and Canada travel enter another tax plan from North Carolina.

The long term forecast for the Highway Fund and for the Highway Trust Fund was distributed and reviewed.

The North Carolina tax guide for 1996 was distributed which indicates that North Carolina was the 15th highest state in the nation on motor fuel tax.

Senator Rucho asked what is the rationale for keeping roads under the state aegis rather than cities. Dr. Larry Goode stated that it is tradition and it makes use fairer throughout. Senator Rucho wanted to know if it would be more cost effective if cities maintained roads. Dr. Goode stated that the size of our system makes it more cost effective for the state to maintain road and there is no duplication.

In response to the statement that no growth is projected in Highway Trust Fund partly because minimum use tax on vehicles which was \$40 was changed by the 1996 General Assembly, Representative Hardaway asked what was the rationale of the General Assembly. Ken Levenbrook, staff attorney said that you can't tax an older vehicle at the same rate as a new one. He said there was a revenue loss study committee who had been bombarded with complaints regarding the unfairness of the tax. Representative Hardaway said due to reductions in the Highway Trust Fund, the period of time to complete roads has increased. He stated this started as a 12 year program but if money is transferred, will it extend the program. Dr. Larry Goode said the program is projected to finish in 2012.

Dr. Goode distributed a chart Federal Aid for North Carolina Transportation which he reviewed. He stated that the only interstate project left to finish is a Durham bypass. No new interstate is funded for FY 97.

Senator Jordan asked was the Triple A report on status of bridges in North Carolina accurate. Dr. Goode said that bridges were rated differently based on the number of vehicles using bridges and therefore the report was not accurate.

Senator Jordan requested the formula and allocation of the Transportation Board per board member, their authorizations, and expenditures as well.

Senator Albertson wondered why a highway would need repairs so soon after completion. He mentioned roads around Duplin and Warsaw which are some of the newest. Dr. Goode stated that the life of a road depended on materials used. He said that typically an asphalt road lasts ten years and a concrete one lasts thirty. He further stated that we do not have many concrete roads. The road from Benson to Raleigh is concrete because a lot of trucks will travel that route. Dr. Goode said in response to a question by Senator Albertson that no study had been made to determine the cost effectiveness of one material over the other.

Attached to the Federal Aid for NC Transportation handout is an explanation of "STEP 21" which Dr. Goode reviewed.

Sanford Cross was introduced. He spoke regarding public transportation statewide. He handed out and reviewed North Carolina Federal Transit Apportionment's 1996-97.

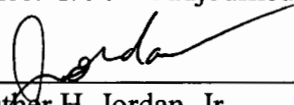
Rep. Barbee asked how could he get a blind person picked up by van. Dr. Goode said he would follow up.

Will Plentl was introduced. He distributed and discussed Federal Airport Aid Programs for North Carolina. He mentioned that Charlotte needs \$72 million for a new runway. In response to a question by Senator Jordan, Mr. Plentl said the state Division of Aviation no longer works with Global Transpark. Global Transpark works directly with the FAA.

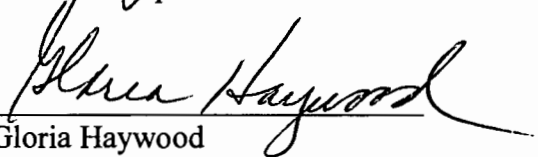
In response to a question by Rep. McAllister, Jeff Trego is the state's lobbyist in Washington.

Staff advised the committee to bring their budget documents to the next meeting.

Senator Jordan announced that the following meetings would begin at 8:00A.M. until further notice. He then adjourned the meeting at 10:00A.M.



Senator Luther H. Jordan, Jr.
Senate Chairperson



Gloria Haywood
Senate Committee Clerk

JOINT APPROPRIATIONS
TRANSPORTATION SUBCOMMITTEE

February 25, 1997

Agenda

1. Revenue Projections

Paul Zipin, Economist
Office of State Budget and Management

2. Federal Funds

Larry Goode, State Highway Administrator
Division of Highways

Sanford Cross, Director
Public Transportation

Wil Plentl, Director
Division of Aviation

**NORTH CAROLINA
FEDERAL TRANSIT APPORTIONMENTS**

1996-97

Nonurbanized Area Formula Program	\$ 5,189,372
Rural Transit Assistance Program	138,303
Elderly and Persons with Disabilities Program	1,420,791
Urbanized Area Formula Program	
Areas with Population 50,000 - 200,000	7,727,991
Areas with Population over 200,000	9,574,521
Metropolitan Planning Program	473,443
State Planning and Research Program	123,797
Capital Program for Buses (Discretionary)	<u>5,956,046</u>
	\$30,604,264

Nonurbanized Area Formula Program

Program to assist transportation agencies serving the general public in areas of less than 50,000 population. Depending on service, funds may be available for capital, operating, administration, and planning assistance to state agencies, local public bodies, nonprofit organizations, Indian tribes and operators of public transportation services. North Carolina has twenty-eight rural general public transportation systems covering forty-four counties, two small urban fixed route systems, and one user-side subsidy program.

Rural Transit Assistance Program

Program to provide training, technical assistance, research and other support services to personnel in non-urban transit systems. North Carolina's program annually provides training and technical assistance to local program managers, bookkeepers, dispatchers, board members, and drivers. In North Carolina, on-site training is provided in a specially-equipped bus.

Elderly and Persons with Disabilities Program

Program provides capital funds to private, non-profit organizations or to public bodies for meeting the special transportation needs of the elderly and disabled in urban, small urban and rural areas. Funds may be used to purchase vans, buses, lifts, radios or other capital items. North Carolina has fifty-five specialized transportation programs that cover fifty-six counties. Approximately thirty programs are provided with assistance each year.

Urbanized Area Formula Program

Program to assist transportation agencies serving the general public in North Carolina's seventeen urbanized areas (greater than 50,000 population). Funds are available for planning, capital and operating assistance purposes.

For urban areas of under 200,000 population, the governor or the governor's designee is responsible for apportioning federal funds. While North Carolina receives a formula allocation for thirteen such areas, nine currently operate transit systems.

For urban areas of over 200,000 population, the Federal Transportation Administration (FTA) is responsible for directly apportioning funds. While North Carolina has four Direct Apportionment areas, there are five transit systems since the Chapel Hill Transit System is included in the Durham urbanized area.

Metropolitan Planning Program

Program provides financial assistance to local governments of greater than 50,000 population to conduct transportation planning activities. Funds are awarded to local metropolitan planning organizations (MPOs). North Carolina has seventeen MPOs and currently sixteen have requested and are receiving funds.

State Planning and Research Program

The Intermodal Surface Transportation Efficiency Act established a new program that provides funds to state and, at the state's discretion, local governments for planning, research, and training.

Capital Program for Buses

Program is earmarked for financing rail modernization and fixed guideway activities; replacement, rehabilitation and purchase of buses and related equipment and the construction of bus-related facilities; and special federal programs.

FEDERAL-AID FOR NORTH CAROLINA TRANSPORTATION (in \$ Millions)								
CATEGORIES UNDER 1987 ACT	FFY-91	FFY-92	FFY-93	FFY-94	FFY-95	FFY-96	FFY-97	MAJOR CATEGORIES UNDER 1991 ISTEA
Interstate	43.4	27.9	20.8	14.3	17.8	0.0	0.0	Interstate Construction
Interstate 4R	46.9	45.4	54.3	55.3	57.0	49.5	57.0	Interstate Maintenance
Primary, Secondary, Urban	92.0	69.6	83.3	82.8	82.6	72.1	82.2	National Highway System (NHS)
*	*	127.5	135.7	138.7	151.3	147.5	238.8	Surface Transportation Program (STP)
Highway Hazard Elimination	4.1	4.1	4.1	4.1	4.1	4.1	4.1	-Highway Hazard Elimination
Railroad/Highway Crossings	3.9	2.0	2.0	2.0	2.0	2.0	2.0	-Railroad Protective Devices
*	*	2.0	2.0	2.0	2.0	2.0	2.0	-Railroad Hazard Elimination
*	*	3.3	4.4	4.3	4.7	3.9	9.0	-Railroad/Highway Hazard Elimination Option
*	*	26.5	30.8	30.4	31.9	28.8	49.9	-Urbanized Areas <200,000 Population
*	*	10.4	11.3	11.2	11.6	10.9	15.6	-Urbanized Areas 200,000+ Population
*	*	20.0	20.0	20.0	20.0	20.0	20.0	-Areas <5,000 Population
*	*	48.0	48.7	52.4	62.3	64.0	119.3	-Any Area of the State
*	*	11.4	12.4	12.3	12.7	11.9	17.1	-Transportation Enhancements
Bridge Replacement	27.1	45.3	61.0	63.6	66.3	57.0	65.2	Bridge Replacement and Rehabilitation
Planning and Research	3.2	6.7	7.5	7.5	7.7	6.6	9.0	Planning and Research
Metropolitan Planning	0.6	1.7	2.1	2.1	2.1	2.1	2.3	Metropolitan Planning
*	*	*	*	*	*	7.0	4.6	P.L. 104 Restoration
*	*	10.0	11.9	11.9	4.8	10.4	11.8	Congestion Mitigation and Air Quality (CMAQ)
*	*	19.7	17.2	15.9	16.1	26.2	25.3	"Donor" State Bonus
*	*	5.0	4.4	4.1	4.1	6.7	6.5	-Urbanized Areas <200,000 Population
*	*	1.1	1.0	0.9	0.9	1.5	1.4	-Urbanized Areas 200,000+ Population
*	*	13.6	11.8	10.9	11.1	18.0	17.4	-Any Area of the State
TOTAL APPORTIONMENT	221.4	353.8	393.8	392.1	405.7	378.4	496.3	TOTAL APPORTIONMENT (b)
FORMULA OBLIGATION CEILING	262.6	364.2	334.3	386.2	371.9	397.8	435.3	FORMULA OBLIGATION CEILING
Minimum Allocation	99.5	65.9	52.0	57.7	72.2	28.2	38.5	Minimum Allocation
*	*	16.9	13.3	14.7	18.5	7.2	9.8	-Urbanized Areas <200,000 Population
*	*	3.8	3.0	3.3	4.1	1.6	2.2	-Urbanized Areas 200,000+ Population
*	*	45.3	35.7	39.6	49.6	19.4	26.5	-Any Area of the State
Public Lands	4.8	5.5	6.0	0.5	1.4	6.0	(a)	Public Lands
Bridge Demonstration Projects	2.9	12.7	27.5	33.0	27.0	27.3	26.9	ISTEA Demonstration Projects
*	*	3.7	4.2	1.9	2.8	0.0	2.0	Ferry Boat Projects
Appalachian Development	5.2	4.6	4.0	6.8	7.8	5.0	(a)	Appalachian Development
TOTAL MAJOR CATEGORIES	375.0	456.3	428.0	486.1	483.1	464.3	500.1	TOTAL MAJOR CATEGORIES (b)
EMERGENCY RELIEF FUNDS	3.0	8.4	6.0	3.1	11.3	0.0	(a)	CONGRESSIONAL APPROPRIATIONS
GRAND TOTAL	377.9	464.6	434.0	489.2	494.4	464.3	500.1	GRAND TOTAL (b)

* = not applicable; (a) = data not yet received from FHWA; (b) subject to change;

Last Updated: 2/24/97

"STEP 21"

(Streamlined Transportation Efficiency Program for the 21st Century)

The Intermodal Surface Transportation Efficiency Act of 1991, popularly known as ISTEA, expires on September 30, 1997. The Congress must consider reauthorizing legislation for highways and public transportation before that date.

The **STEP 21** proposal is a product of a group of states seeking to streamline the federal highway program and to update its funding formulas. **STEP 21** evolved as an outgrowth and continuation of work from the group of donor states which sought to improve funding equity in ISTEA. The **STEP 21** proposal is more than just a donor state program, however, providing a more streamlined and efficient federal program.

The **STEP 21** program was introduced in the Congress on July 10, 1996 as HB 3775 the "ISTEA Integrity Restoration Act." Having nearly 90 cosponsors, including six from North Carolina, it is considered by many to represent much more of a "middle of the road" position than other more extreme reauthorization proposals.

The **STEP 21** proposal has four major components:

1. **National Highway System Program** - to provide basic funding to support the NHS, including Interstates, thereby providing consistent mobility and economic benefits to the nation as a whole.

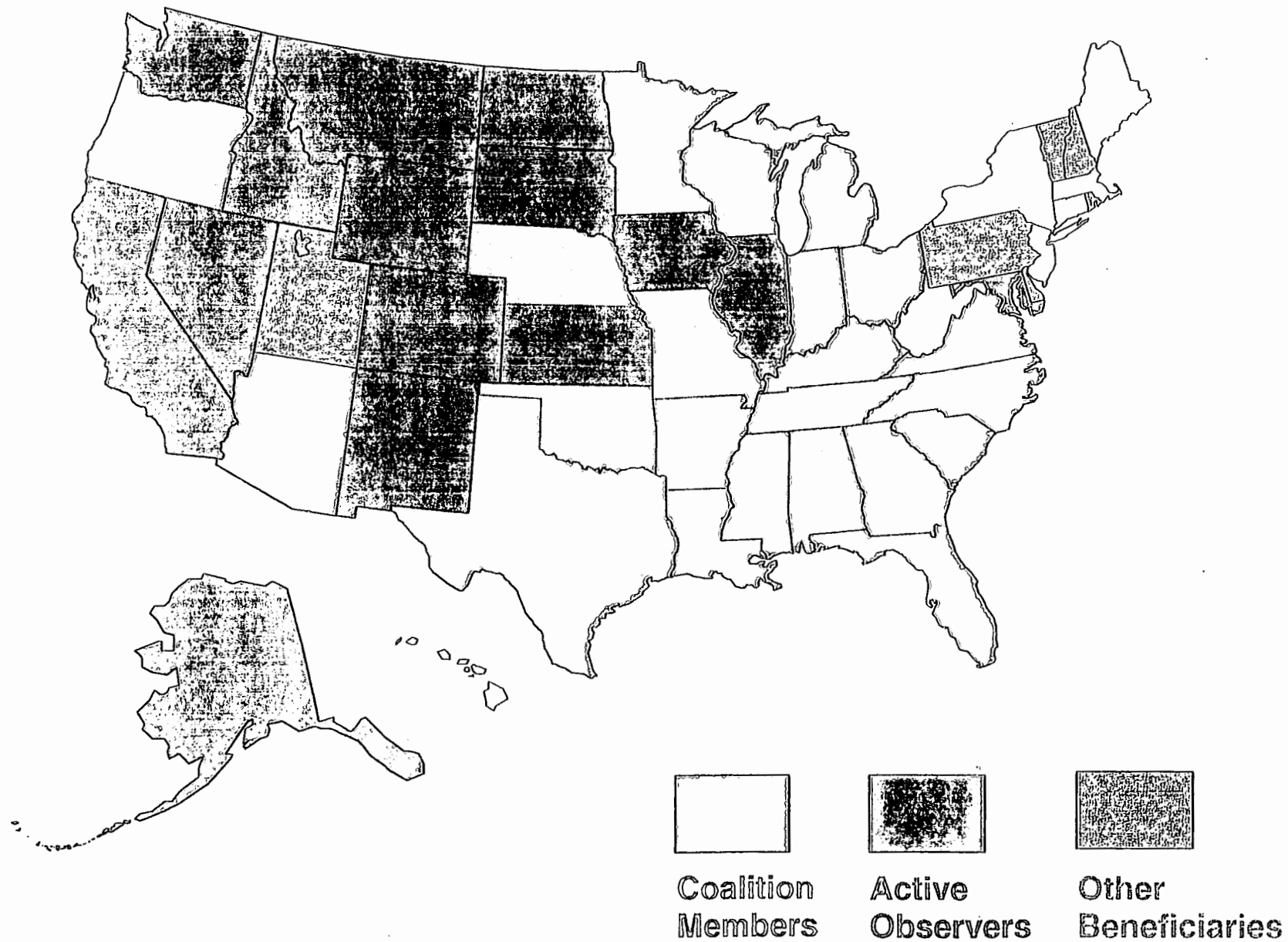
2. **Streamlined Surface Transportation Program** - to provide truly flexible "no strings attached" funding to allow states to respond to specific state and local needs, whether they be highway, transit, or other eligible surface transportation programs. Most of the existing state categorical grant programs and set-asides would be folded into this Surface Transportation Program, with decisions on allocations of funds being made as appropriate within each individual state. MPO suballocations would remain unchanged.

3. **Equity Program** - to ensure that all states receive at least a 95 percent return on payments into the federal Highway Trust Fund. The revised distribution formulas should provide at least this return to each state. If not, the Equity Program would ensure a minimum 95 percent return to each state.

(Since the beginning of the interstate program in 1956, North Carolina has received a 75% return. ISTEA has provided only an 81% return.)

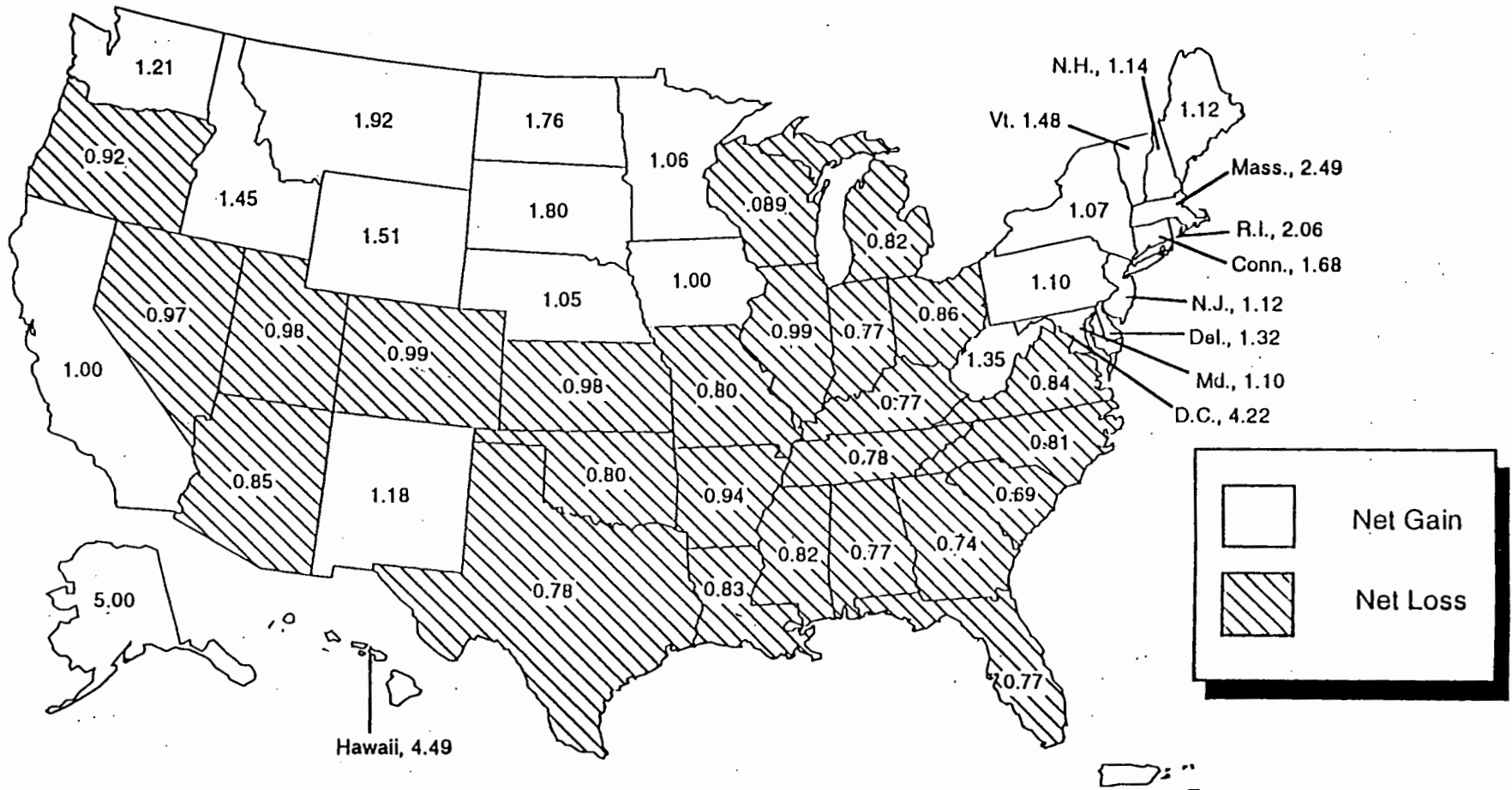
4. **Access Program** - to ensure an adequate level of funding for highways in the low population and small area states.

STEP 21 Coalition



Highway Trust Fund Return Ratio For ISTEA Fiscal Years 1992 - 1995

Graphic: T.E. Hall/SGA



Source: Federal Highway Statistics 1995, Federal Highway Administration, Table FE-221

Federal Airport Aid Programs for North Carolina (NCDOT-Aviation, 2-24-97)

Airport Improvement Program (AIP)

The AIP is the basic federal airport funding program. Federal excise taxes on airline tickets, air cargo waybills, aviation fuels, and aircraft parts and accessories generate the funds for this program; there are no general taxes in AIP. Eligible airports must be in the federal National Plan of Integrated Airport Systems and must be either publicly owned or a specially designated privately owned Reliever airport in a major metropolitan area. Because of the Block Grant Program in North Carolina, AIP grants are currently being made in our state only to airports with airline service, although non-airline airports in other, non Block Grant, states are eligible for direct AIP grants.

Local allocations come from several AIP components. Airline service airports receive "enplanement" funds on a formula based on the number of enplaned airline passengers. A sliding scale reduces the amount per passenger as the total size of the airport grows. In North Carolina, the smallest airline airports such as Hickory, Kinston, and Winston-Salem are guaranteed a minimum of \$500,000 per year, while Charlotte, the largest, currently receives \$6.7 million per year. In addition, airline service airports may also obtain additional funds from a national "discretionary" fund administered at the Washington level. The national discretionary level is limited and competition is fierce. In FY 96, North Carolina received a total of just over \$30 million in AIP funds for airline airports, with about 43% coming from discretionary funding.

State Block Grant Program

The Block Grant Program is part of the AIP and was initiated in 1990 as an experiment in state participation in the AIP decision process for general aviation (non-airline) airports. Three states, including North Carolina, were selected as participants and this has now grown to eight. In the other states, local governments deal directly with their FAA district offices, while in the participating states the state aviation department acts in place of FAA on decision making and many other administrative matters relating to general aviation airports.

States receive their funds based on a combination of a formula distribution (state size and based aircraft) and national discretionary allocations. The states may then use their own state priority systems to determine where specific project allocations are approved. FAA has recently changed both its funding categories and its philosophies for discretionary funding and these have affected the total funds available for North Carolina. In FY 1994, for example, North Carolina received over \$17 million in federal funds, about 2/3 being discretionary funds. In FY 1997, we have received about \$5.5 million with no discretionary funds. While the Fiscal Year is not yet complete, it is unlikely that there will be significant amounts of discretionary funds for any of the Block Grant states.

Eligible Work Elements for Airport Grants

For both AIP and Block Grant projects, work elements are generally limited to the planning and construction of facilities which will be open to the general public. These include master and environmental planning, land acquisition and clearing, site preparation, paving, and lighting for runways, taxiways, and aircraft parking aprons. In addition, for airline service airports, certain elements of the public terminal facilities may be eligible for enplanement funds only.

Other FAA Funding Programs

FAA also undertakes a number of projects which are direct construction or operations projects supporting public airport facilities. For example, most airline service airports receive communications facilities and navigational aids at no cost from the federal government through the Facilities and Equipment program of FAA. The total capital value of federally provided facilities in North Carolina is estimated at over \$25 million. In addition, FAA also operates air traffic control towers at eight airline airports and has a number of smaller offices across the state to operate and maintain the radio communications and navigational aids necessary for the air traffic system.

END

FINAL

Revised 10/31/96

HIGHWAY FUND REVENUE

	(\$Millions)								
	1994-95	1995-96	1996-97	1997-98	1998-99	99-2000	2000-01	2001-02	2002-03
	Actual	Actual							
GASOLINE TAX (75%)	669.097	693.049	720.584	745.254	764.700	787.446	808.479	830.868	853.859
% CHANGE	0.3	3.6	4.0	3.4	2.6	3.0	2.7	2.8	2.8
Effective Tax Rate(Cts/Gallon)	21.020	21.280	21.600	21.600	21.600	21.700	21.800	21.900	22.000
Growth in Consumption	2.9	2.3	2.4	3.6	2.4	2.5	2.2	2.3	2.3
Add SB 943	0.000	4.000	15.000	15.000	15.000	15.000	15.000	15.000	15.000
TOTAL GAS TAX	669.097	697.049	735.584	760.254	779.700	802.446	823.479	845.868	868.859
INSPECTION FEE	11.227	11.690	11.971	12.402	12.699	13.017	13.303	13.609	13.922
% CHANGE	4.5	4.1	2.4	3.6	2.4	2.5	2.2	2.3	2.3
HIGHWAY USE REG. FEE	0.786	0.440	0.500	0.500	0.500	0.500	0.500	0.500	0.500
% CHANGE	(3.6)	(44.0)	13.6	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL MOTOR FUELS	681.110	709.179	748.055	773.156	792.899	815.963	837.282	859.977	883.281
% CHANGE	0.4	4.1	5.5	3.4	2.6	2.9	2.6	2.7	2.7
			**						
STAGGERED REGISTRATIONS	120.082	124.178	126.665	129.315	131.566	133.539	135.543	137.576	139.639
% CHANGE	2.0	3.4	2.0	2.1	1.7	1.5	1.5	1.5	1.5
TRUCK LICENSES	48.846	50.787	51.904	53.550	54.836	56.207	57.443	58.707	59.999
% CHANGE	4.9	4.0	2.2	3.2	2.4	2.5	2.2	2.2	2.2
INTERN'L REG PLAN	38.347	44.256	45.533	46.175	47.403	48.588	49.657	50.749	51.866
%CHANGE	5.3	15.4	2.9	1.4	2.7	2.5	2.2	2.2	2.2
DRIVER LICENSES	58.017	68.440	69.897	71.009	64.473	72.597	73.686	74.865	76.062
% CHANGE	11.0	18.0	2.1	1.6	(9.2)	12.6	1.5	1.6	1.6
TITLE FEES (10% thru 95-96 Only)	4.852	7.133	0.000	0.000	0.000	0.000	0.000	0.000	0.000
% CHANGE	(48.8)	47.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER	25.489	25.820	25.273	25.936	26.597	27.262	27.943	28.642	29.358
% CHANGE	11.5	1.3	(2.1)	2.6	2.5	2.5	2.5	2.5	2.5
Adj: SB 331	0.0	(0.2)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
TOTAL OTHER	25.489	25.620	24.973	25.536	26.197	26.862	27.543	28.242	28.958
TOTAL LICENSES & FEES	295.633	320.414	318.972	325.585	324.475	337.793	343.872	350.139	356.525
% CHANGE	2.3	8.4	(0.5)	2.1	(0.3)	4.1	1.8	1.8	1.8
INVESTMENT INCOME	19.730	19.713	19.812	20.505	21.243	22.050	22.932	23.850	24.804
% CHANGE	0.6	(0.1)	0.5	3.5	3.6	3.8	4.0	4.0	4.0
TOTAL HIGHWAY FUND	996.473	1,049.306	1,086.838	1,119.245	1,138.617	1,175.806	1,204.086	1,233.965	1,264.800
% CHANGE	0.4	5.3	3.6	3.0	1.7	3.3	2.4	2.5	2.5

Revised 10/31/96

HIGHWAY TRUST FUND REVENUE

	(\$Millions)								
	1994-95	1995-96	1996-97	1997-98	1998-99	99-2000	2000-01	2001-02	2002-03
	Actual	Actual							
GASOLINE TAX (25%)	223.032	231.329	240.171	248.393	254.875	262.456	269.466	276.928	284.591
% Change	0.5	3.7	3.8	3.4	2.6	3.0	2.7	2.8	2.8
Adj: SB 943	0.000	1.333	5.000	5.000	5.000	5.000	5.000	5.000	5.000
TOTAL GAS TAX	223.032	232.662	245.171	253.393	259.875	267.456	274.466	281.928	289.591
MOTOR VEHICLE USE TAX (Total)	364.649	397.005	385.889	400.553	416.575	433.238	450.567	468.590	487.334
% Change	10.3	8.9	(2.8)	3.8	4.0	4.0	4.0	4.0	4.0
Adj: SB 943	0.000	0.000	-12.000	-12.000	-12.000	-12.000	-12.000	-12.000	-12.00
HB 504	0.000	-1.000	-1.500	-1.500	-1.500	-1.500	-1.500	-1.500	-1.500
TOTAL MV USE TAX	364.649	396.005	372.389	387.053	403.075	419.738	437.067	455.090	473.834
TITLE CERTIFICATES(90% thru 95-96.....	65.029	63.964	71.896	73.334	74.654	76.147	77.670	79.223	80.808
% Change 100% thereafter)	14.3	(1.6)	12.4	2.0	1.8	2.0	2.0	2.0	2.0
MISC. REGISTRATION FEES	9.480	10.187	10.360	10.619	10.832	11.048	11.269	11.495	11.724
% Change	10.9	7.5	1.7	2.5	2.0	2.0	2.0	2.0	2.0
LIEN RECORDING FEES	2.568	2.605	2.631	2.684	2.767	2.822	2.879	2.936	2.995
% Change	(4.3)	1.4	1.0	2.0	3.1	2.0	2.0	2.0	2.0
TOTAL TAX & FEES	664.758	705.423	702.447	727.083	751.202	777.211	803.351	830.672	858.952
% Change	7.4	6.1	(0.4)	3.5	3.3	3.5	3.4	3.4	3.4
INVESTMENT INCOME	28.735	32.671	27.550	28.377	29.086	29.958	30.857	31.783	32.736
% Change	27.9	13.7	(15.7)	3.0	2.5	3.0	3.0	3.0	3.0
TOTAL HIGHWAY TRUST FUND	693.493	738.094	729.997	755.459	780.288	807.169	834.208	862.455	891.688
% Change	8.1	6.4	(1.1)	3.5	3.3	3.4	3.3	3.4	3.4

1 CETERA

FEDERAL-AID FOR NORTH CAROLINA TRANSPORTATION (in \$ Millions)								
CATEGORIES UNDER 1987 ACT	FFY-91	FFY-92	FFY-93	FFY-94	FFY-95	FFY-96	FFY-97	MAJOR CATEGORIES UNDER 1991 ISTEA
Interstate	43.4	27.9	20.8	14.3	17.8	0.0	0.0	Interstate Construction
Interstate 4R	46.9	45.4	54.3	55.3	57.0	49.5	57.0	Interstate Maintenance
Primary, Secondary, Urban	92.0	69.6	83.3	82.8	82.6	72.1	82.2	National Highway System (NHS)
*	*	127.5	135.7	138.7	151.3	147.5	238.8	Surface Transportation Program (STP)
Highway Hazard Elimination	4.1	4.1	4.1	4.1	4.1	4.1	4.1	-Highway Hazard Elimination
Railroad/Highway Crossings	3.9	2.0	2.0	2.0	2.0	2.0	2.0	-Railroad Protective Devices
*	*	2.0	2.0	2.0	2.0	2.0	2.0	-Railroad Hazard Elimination
*	*	3.3	4.4	4.3	4.7	3.9	9.0	-Railroad/Highway Hazard Elimination Option
*	*	26.5	30.8	30.4	31.9	28.8	49.9	-Urbanized Areas <200,000 Population
*	*	10.4	11.3	11.2	11.6	10.9	15.6	-Urbanized Areas 200,000+ Population
*	*	20.0	20.0	20.0	20.0	20.0	20.0	-Areas <5,000 Population
*	*	48.0	48.7	52.4	62.3	64.0	119.3	-Any Area of the State
*	*	11.4	12.4	12.3	12.7	11.9	17.1	-Transportation Enhancements
Bridge Replacement	27.1	45.3	61.0	63.6	66.3	57.0	65.2	Bridge Replacement and Rehabilitation
Planning and Research	3.2	6.7	7.5	7.5	7.7	6.6	9.0	Planning and Research
Metropolitan Planning	0.6	1.7	2.1	2.1	2.1	2.1	2.3	Metropolitan Planning
*	*	*	*	*	*	7.0	4.6	P.L. 104 Restoration
*	*	10.0	11.9	11.9	4.8	10.4	11.8	Congestion Mitigation and Air Quality (CMAQ)
*	*	19.7	17.2	15.9	16.1	26.2	25.3	"Donor" State Bonus
*	*	5.0	4.4	4.1	4.1	6.7	6.5	-Urbanized Areas <200,000 Population
*	*	1.1	1.0	0.9	0.9	1.5	1.4	-Urbanized Areas 200,000+ Population
*	*	13.6	11.8	10.9	11.1	18.0	17.4	-Any Area of the State
TOTAL APPORTIONMENT	221.4	353.8	393.8	392.1	405.7	378.4	496.3	TOTAL APPORTIONMENT (b)
FORMULA OBLIGATION CEILING	262.6	364.2	334.3	386.2	371.9	397.8	435.3	FORMULA OBLIGATION CEILING
Minimum Allocation	99.5	65.9	52.0	57.7	72.2	28.2	38.5	Minimum Allocation
*	*	16.9	13.3	14.7	18.5	7.2	9.8	-Urbanized Areas <200,000 Population
*	*	3.8	3.0	3.3	4.1	1.6	2.2	-Urbanized Areas 200,000+ Population
*	*	45.3	35.7	39.6	49.6	19.4	26.5	-Any Area of the State
Public Lands	4.8	5.5	6.0	0.5	1.4	6.0	(a)	Public Lands
Bridge Demonstration Projects	2.9	12.7	27.5	33.0	27.0	27.3	26.9	ISTEA Demonstration Projects
*	*	3.7	4.2	1.9	2.8	0.0	2.0	Ferry Boat Projects
Appalachian Development	5.2	4.6	4.0	6.8	7.8	5.0	(a)	Appalachian Development
TOTAL MAJOR CATEGORIES	375.0	456.3	428.0	486.1	483.1	464.3	500.1	TOTAL MAJOR CATEGORIES (b)
EMERGENCY RELIEF FUNDS	3.0	8.4	6.0	3.1	11.3	0.0	(a)	CONGRESSIONAL APPROPRIATIONS
GRAND TOTAL	377.9	464.6	434.0	489.2	494.4	464.3	500.1	GRAND TOTAL (b)

* = not applicable; (a) = data not yet received from FHWA; (b) subject to change;

Last Updated: 2/24/97

"STEP 21"

(Streamlined Transportation Efficiency Program for the 21st Century)

The Intermodal Surface Transportation Efficiency Act of 1991, popularly known as ISTEA, expires on September 30, 1997. The Congress must consider reauthorizing legislation for highways and public transportation before that date.

The **STEP 21** proposal is a product of a group of states seeking to streamline the federal highway program and to update its funding formulas. **STEP 21** evolved as an outgrowth and continuation of work from the group of donor states which sought to improve funding equity in ISTEA. The **STEP 21** proposal is more than just a donor state program, however, providing a more streamlined and efficient federal program.

The **STEP 21** program was introduced in the Congress on July 10, 1996 as HB 3775 the "ISTEA Integrity Restoration Act." Having nearly 90 cosponsors, including six from North Carolina, it is considered by many to represent much more of a "middle of the road" position than other more extreme reauthorization proposals.

The **STEP 21** proposal has four major components:

1. **National Highway System Program** - to provide basic funding to support the NHS, including Interstates, thereby providing consistent mobility and economic benefits to the nation as a whole.

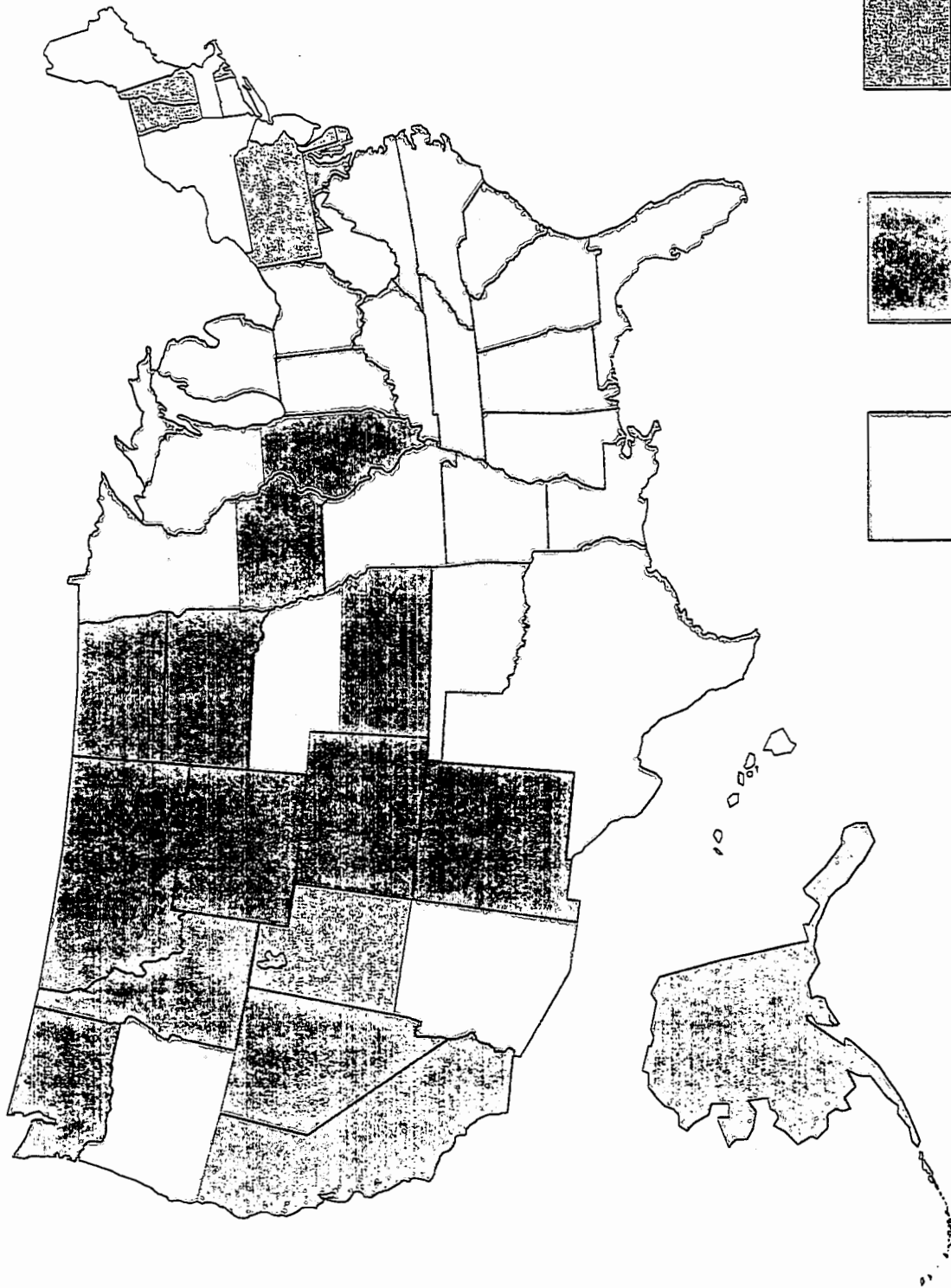
2. **Streamlined Surface Transportation Program** - to provide truly flexible "no strings attached" funding to allow states to respond to specific state and local needs, whether they be highway, transit, or other eligible surface transportation programs. Most of the existing state categorical grant programs and set-asides would be folded into this Surface Transportation Program, with decisions on allocations of funds being made as appropriate within each individual state. MPO suballocations would remain unchanged.

3. **Equity Program** - to ensure that all states receive at least a 95 percent return on payments into the federal Highway Trust Fund. The revised distribution formulas should provide at least this return to each state. If not, the Equity Program would ensure a minimum 95 percent return to each state.

(Since the beginning of the interstate program in 1956, North Carolina has received a 75% return. ISTEA has provided only an 81% return.)

4. **Access Program** - to ensure an adequate level of funding for highways in the low population and small area states.

STEP 21 Coalition



Coalition Members



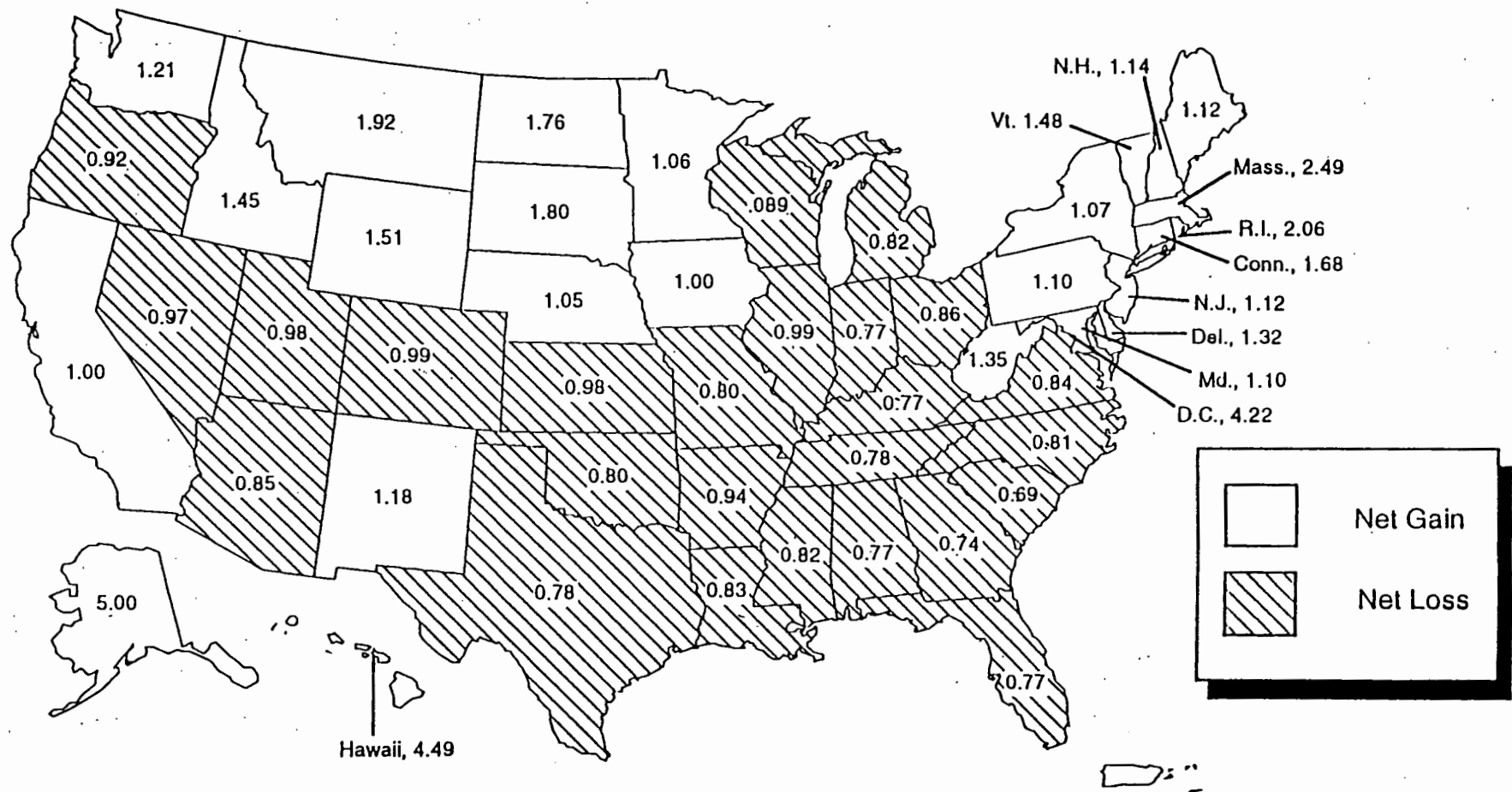
Active Observers



Other Beneficiaries

Highway Trust Fund Return Ratio For ISTE Fiscal Years 1992 - 1995

Graphic: T.E. Hall/SGA



Source: Federal Highway Statistics 1995, Federal Highway Administration, Table FE-221

**REVENUE OUTLOOK
FOR THE
HIGHWAY FUND
AND
HIGHWAY TRUST FUND**

**PRESENTATION BEFORE
THE
JOINT LEGISLATIVE COMMITTEE
ON
TRANSPORTATION**

OFFICE OF STATE BUDGET AND MANAGEMENT

FEBRUARY 24, 1997

Post-Legislative Budget Summary, 1996-97
Transportation - Continued

Licenses, Fees, and Other State Revenue (LFO) are projected to decline slightly to \$305.9 million as Title Fee revenue are fully dedicated to the Highway Trust Fund. Including Investment Income, Highway Fund revenue is projected to reach \$1,063.2 million, an increase of 1.3% over 1995-96.

Table 5
Highway Fund Revenue, 1995-97

	1995-96 <u>Actual</u>	1996-97 <u>Authorized</u>
Motor Fuels Tax:		
Gasoline Tax	\$ 697,048,503	\$ 725,942,000
Gasoline Inspection Fee	11,689,883	11,588,000
Highway Use Registration Fee	439,650	500,000
Total Motor Fuels Tax	\$ 709,178,036	\$ 738,030,000
Licenses and Fees:		
Motor Vehicle Registration	\$ 177,984,576	\$ 179,051,000
International Registration Plan	44,255,511	40,171,000
Title Fees	7,133,487	-
Lien Recording Fees	89,252	89,000
Drivers License Fees	68,439,883	63,972,000
Revocation and Restoration	9,732,070	9,760,000
Equipment Inspection Fees	3,323,223	3,300,000
Dealers and Manufacturers Licenses	1,157,249	1,100,000
Overweight/Size Permits	1,974,662	1,716,000
Motor Carrier Safety	413,198	485,000
Total Licenses and Fees	\$ 314,503,111	\$ 299,644,000
Other State Revenue:		
Penalties	\$ 5,377,171	\$ 5,800,000
Miscellaneous	533,737	500,000
Total Other State Revenue	\$ 5,910,908	\$ 6,300,000
Investment Income	19,713,687	19,206,000
Total Highway Fund Revenue	<u>\$ 1,049,305,742</u>	<u>\$1,063,180,000</u>

N.C. State Budget, 1997-99: Summary of Recommendations
Transportation - Continued

B. Highway Fund

The traditional Highway Fund is supported from three primary sources: (1) three-fourths of the Motor Fuels tax collected by the Department of Revenue; (2) licenses and fees collected by the Division of Motor Vehicles; and (3) interest earned from investment of the fund cash balance by the State Treasurer.

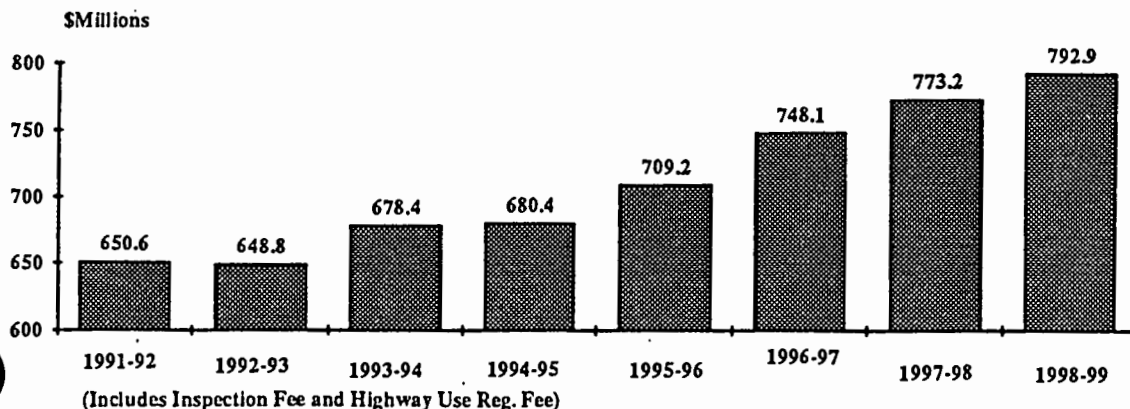
1. Revenue

Highway Fund revenue is projected to total \$1,087 million in 1996-97, a growth of 3.6% over the previous fiscal year. It is estimated that motor fuel taxes will total \$748.1 million, licenses and fees \$312.9 million, other state revenue \$6.0 million, and interest income \$19.8 million, with growth rates of 5.5%, -0.5%, 1.9%, and 0.5% respectively. The decline in license and fee collections is the result of allocating all collections from Title Fees to the Highway Trust Fund beginning July 1, 1996. Excluding this transfer, license and fee collections would have increased by 1.9%.

For 1997-98, it is projected that Highway Fund revenue will total \$1,119 million, for an increase of 3%. Motor fuel tax collections are projected to rise to \$773.2 million, an increase of 3.4%. License and fee collections are projected to total \$319.4 million, increasing by 2.1%, while other state revenue is projected to total \$6.2 million and grow by 2.1%. Finally, investment income is projected to total \$20.5 million, for an increase of 3.5%.

Highway Fund collections are projected to have a modest increase in 1998-99, totaling \$1,138.6 million and growing by 1.7%. Motor fuel tax revenue is projected to total \$792.9 million, a gain of 2.6%. Highway Fund license and fee collections are projected to decline by 0.5%. The decline results from the completion of shifting from a four to five year cycle on driver license renewals. Excluding the impact of driver license fees, collections would grow by 2.1%. Finally, investment income is projected to total \$21.2 million, an increase of 3.6%.

**Highway Fund
Motor Fuels Tax
Collections**



N.C. State Budget, 1997-99: Summary of Recommendations
Transportation - Continued

Table 8
Highway Fund Revenue, 1997-99

	<u>1996-97</u> <u>Estimated</u>	<u>1997-98</u> <u>Projected</u>	<u>1998-99</u> <u>Projected</u>
Motor Fuels Taxes:			
Motor Fuel Tax	\$ 735,584,000	\$ 760,254,000	\$ 779,700,000
Gasoline Inspection Fee	11,971,000	12,402,000	12,699,000
Highway Use Registration Fee	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Total Motor Fuels Tax	\$ 748,055,000	\$ 773,156,000	\$ 792,899,000
Licenses and Fees:			
Staggered Registration Plan	\$ 126,665,000	\$ 129,315,000	\$ 131,566,000
Driver Licenses	69,897,000	71,009,000	64,473,000
Truck Plates	51,904,000	53,550,000	54,836,000
International Registration Plan	45,533,000	46,175,000	47,403,000
Restoration Fees	6,095,000	6,235,000	6,397,000
Service Process Fees	3,930,000	4,021,000	4,125,000
Safety Inspection Fees	3,423,000	3,501,000	3,592,000
Registration Fees	2,275,000	2,328,000	2,388,000
Overweight/Size Permits	2,034,000	2,081,000	2,135,000
Dealers and Manufacturers License Fees	<u>1,192,000</u>	<u>1,219,000</u>	<u>1,251,000</u>
Total Licenses and Fees	\$ 312,948,000	\$ 319,433,000	\$ 318,166,000
Other State Revenue:			
Assessments	\$ 5,479,000	\$ 5,594,000	\$ 5,739,000
Miscellaneous	<u>544,000</u>	<u>556,000</u>	<u>570,000</u>
Total Other State Revenue	\$ 6,023,000	\$ 6,150,000	\$ 6,309,000
Investment Income	<u>\$ 19,812,000</u>	<u>\$ 20,505,000</u>	<u>\$ 21,243,000</u>
Total Highway Fund Revenue	<u><u>\$1,086,838,000</u></u>	<u><u>\$1,119,245,000</u></u>	<u><u>\$1,138,617,000</u></u>

2. Condition of the Highway Fund

Reversions of \$12.5 million from unused 1996-97 appropriations and reserve balances make up the total expected beginning credit balance for 1997-98. Revenue is expected to exceed the authorized amount by \$28.9 million for the year.

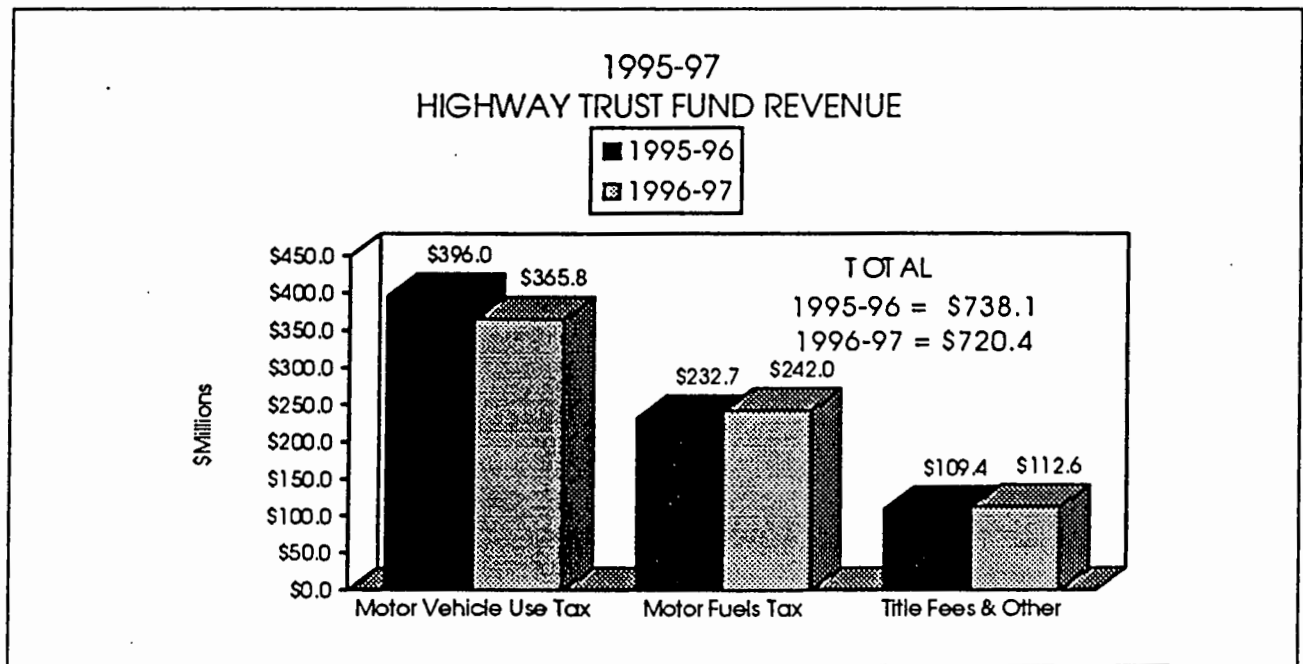
Table 9, Condition of the Highway Fund, reflects the credit balance and combines it with revenue and transfers to provide the amounts available for appropriation for the 1997-99 biennium.

Post-Legislative Budget Summary, 1996-97
Transportation - Continued

Including Miscellaneous Registrations, Lien Recording Fees, and Investment Income, Highway Trust Fund revenue is projected to total \$720.4 million in 1996-97, a decrease of 2.4% from 1995-96.

Table 8
Highway Trust Fund Revenue, 1995-97

	<u>1995-96 Actual</u>	<u>1996-97 Authorized</u>
Anticipated Collections:		
Gasoline Tax Revenue	\$ 232,662,410	\$ 241,957,000
Highway Use Tax	396,005,101	365,805,000
Title Fees:		
Certificates of Title	63,964,303	72,702,000
Miscellaneous Title Fees	12,792,539	12,350,000
Treasurer's Investments	<u>32,670,594</u>	<u>27,550,000</u>
Subtotal	\$ 738,094,947	\$ 720,364,000
Amount Required to be Transferred from the Highway Fund	<u>12,100,000</u>	<u>32,300,000</u>
Balance Available	<u>\$ 725,994,947</u>	<u>\$ 752,664,000</u>



N.C. State Budget, 1997-99: Summary of Recommendations
Transportation - Continued

Table 10 - Continued

	1995-96 <u>Actual</u>	1996-97 <u>Authorized</u>	1997-98 <u>Recommended</u>	1998-99 <u>Recommended</u>
Reserves and Transfers				
Rail Travel Enhancement	\$ -	\$ 1,700,000	\$ -	\$ -
DOT Computer Replacement	-	-	1,000,000	1,000,000
DMV Office Complex	-	650,000	1,000,000	14,698,021
DMV Systems Reserve	-	-	3,045,100	3,824,000
Legislative Salary Increase	-	15,827,652	27,545,260	27,545,260
Salary Adjustment Fund	-	-	200,000	200,000
Battery Dump Cleanup	6,146	-	-	-
PCB Site Cleanup	1,000,000	-	-	-
General Assembly, DMV Study	287,985	-	-	-
Highway Trust Fund	<u>12,100,000</u>	<u>32,300,000</u>	<u>38,000,000</u>	<u>38,000,000</u>
Total-Reserves and Transfers	\$ 13,394,131	\$ 50,477,652	\$ 70,790,360	\$ 85,267,281
Debt Service	<u>25,133,780</u>	<u>4,978,215</u>	-	-
Total-Current Operations	\$ 1,041,957,882	\$ 1,082,050,874	\$ 1,148,654,000	\$ 1,125,792,584
Capital Improvements	<u>9,579,198</u>	<u>1,958,126</u>	<u>12,000,000</u>	-
Total Highway Fund Appropriation	<u>\$ 1,051,537,080</u>	<u>\$ 1,084,009,000</u>	<u>\$ 1,160,654,000</u>	<u>\$ 1,125,792,584</u>

C. Highway Trust Fund

The 1989 Session of the General Assembly, in Chapter 692 of the Session Laws, ratified House Bill 399 to establish the Highway Trust Fund. Revenue for the funding was provided from four primary sources: (1) one-fourth of the Motor Fuels Tax collected by the Department of Revenue; (2) Highway Vehicle Use Taxes on the sales of motor vehicles, \$170 million of which is transferred to the General Fund; (3) most of the Title Fees and some various Registration Fees collected by the Division of Motor Vehicles; and (4) interest earned from investment of the Trust Fund cash balance by the State Treasurer. It should be noted, that effective July 1, 1996, all Title Fee collections are allocated to the Highway Trust Fund.

The legislation also sets out the various roads identified as the Intrastate System and Urban Loops which are to be funded. Also identified are supplemental funds for Secondary Road Construction and Aid to Municipalities. Formula funding for administration as well as for the mentioned purposes is likewise included in the legislation.

1. Revenue

Money deposited in the Highway Trust Fund consists of taxes and fees, treasurer's investments, transfers from the Highway Fund for the redemption of certain bond obligations, minus the transfer of \$170 million of Highway Use Tax revenue to the General Fund. After distributions and transfers, it is estimated that Highway Trust Fund Revenue will total \$572.1 million in 1996-97. Further, it is projected that Highway Trust Fund revenue will total \$617.8 million in 1997-98, and \$648.3 million in 1998-99.

N.C. State Budget, 1997-99: Summary of Recommendations
Transportation - Continued

It is estimated that Motor Fuel Taxes will total \$245.2 million in 1996-97. Motor Fuel Taxes are projected to reach \$253.4 million in 1997-98 and \$259.9 million in 1998-99, representing increases of 3.4% and 2.6% respectively. Highway Use Taxes are estimated to total \$372.4 million in 1996-97. In 1997-98, collections are projected to total \$387.1 million, an increase of 4%, and \$403.1 million in 1998-99, an increase of 4.4%. Title fees are estimated to total \$71.9 million in 1996-97, while they are projected to rise to \$73.3 million and \$74.7 million each year of the biennium. This represents an annual increase of 2% per year. Finally, investment income is projected to total \$27.6 million in 1996-97, \$28.4 million in 1997-98, and \$29.1 million in 1998-99.

Table 11
Highway Trust Fund Revenue, 1997-99

	<u>1996-97</u> <u>Estimated</u>	<u>1997-98</u> <u>Projected</u>	<u>1998-99</u> <u>Projected</u>
Anticipated Collections:			
Motor Fuel Tax Revenue	\$ 245,171,000	\$ 253,393,000	\$ 259,875,000
Highway Use Tax	372,389,000	387,053,000	403,075,000
Title Fees:			
Certificates of Title	71,896,000	73,334,000	74,654,000
Miscellaneous Title Fees	12,991,000	13,303,000	13,599,000
Treasurer's Investments	<u>27,550,000</u>	<u>28,377,000</u>	<u>29,086,000</u>
Subtotal	\$ 729,997,000	\$ 755,460,000	\$ 780,289,000
Amount Required to be Transferred to the General Fund	(170,000,000)	(170,000,000)	(170,000,000)
Amount Required to be Transferred from the Highway Fund	<u>12,100,000</u>	<u>32,300,000</u>	<u>38,000,000</u>
Balance Available	<u>\$ 572,097,000</u>	<u>\$ 617,760,000</u>	<u>\$ 648,289,000</u>

VISITORS SIGN-IN SHEET

~~MENTAL HEALTH STUDY COMMISSION~~

2-25-99

TRANSPORTATION

NAME

AGENCY

~~ADDRESS~~

1. Will Plett	NC DOT	
2. Larry Gove	NC DOT	
3. Don DeVane	NC DOT	
4. VL McBride	NC DOT	
5. Symond T. Crow	NC DOT - Public Transit	
6. Rob Nelson	OSBM	
7. Kim Smith	NC League of Municipalities	
8. Phila. B. B. B.	CHPA	
9. Ode McLeod	SCENIC NC	
10. John Long	Martin's Marilla	
1. Mac Bortley	N.C. Aggregates Assoc.	
2. David King	NC DOT	
3. Curt Williams	Office of Governor	
4. John Holman	NCITA / NCCPI	
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Today's Pages are:

Date: 2-25-97

TRANSPORTATION

Name: Craig Joyner

Home: Wake County (Enloe)

Sponsored By: Representative Daniel Blue

Name: Jenni Levenbook

Home: Raleigh

Sponsored By: Sen. Marc Basnight

Name: _____

Home: _____

Sponsored By: _____

Sen. Sgt H-ARMS
Hubert A. Poole
Collis Brown
Stanley Johnson

**THE JOINT LEGISLATIVE
APPROPRIATIONS
SUB-TRANSPORTATION COMMITTEE**

**FEBRUARY 26, 1997
8 AM
ROOM 1327**

The Joint Legislative Appropriations/sub-Transportation Committee met in Room 1327 at 8 am on Wednesday, February 26, 1997. **Representative Joanne Bowie** called the meeting to order. Visitor's Sheet attached.

Members Present:

Rep. Joanne Bowie, Co-Chair
Rep. Ed McMahan, Co-Chair
Rep. Thomas Hardaway
Rep. Jim Gulley
Rep. Drew Saunders

Rep. Jerry Dockham, Co-Chair
Rep. Bobby Barbee
Rep. Bill Hiatt
Rep. Mary McAllister
Rep. Ronnie Sutton

Four Senators

Representative Bowie introduced **Mr. David Herlong, Planning Analyst, Office of State Planning**, who presented a review of the Governor's Budget for 1997-99.

Mr. Herlong reviewed the State Budget Books with the Committee:

- Objectives of the Transportation Program Area (*see attachment I. (a)*).
- Origin and Recent Development of Performance and Program Budgeting (*see attachment I. (b) pg. 1-19*).

Tony Goldman, Fiscal Research Division, presented an overview of the Budget:

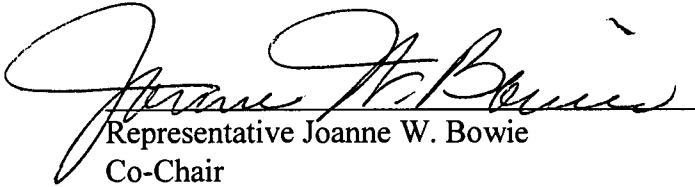
- a current organizational chart of the Department of Transportation (*attachment II*).
- Highway Fund Revenue, 1997-99 (*attachment II. (b), pg. 1*).
- Condition of the Highway Fund, 1997-99 (*attachment II. (b), pg. 2*).
- Highway Trust Fund Revenue, 1997-99 (*attachment II. (c), pg. 1*).
- Condition of the Highway Trust Fund, 1997-99 (*attachment II. (d), pg. 2*).
- Highway Fund Budget Codes -- showing the actual, certified, authorized, and the continuation budgets (*attachment I. (d), pg. 1*).
- Highway Trust Fund Codes; showing the actual, certified, authorized and continuation budgets (*attachment II. (d), pg. 2*).

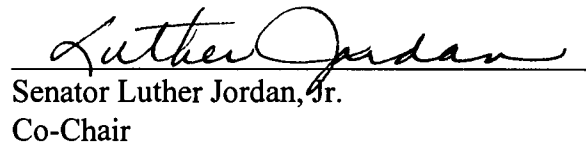
Joint Appropriations/sub-Transportation Committee
February 26, 1997

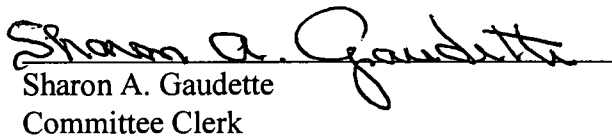
- Code 53 1220 - Payroll Additives - representing amounts charged to workers' compensation and unemployment insurance.

Discussion took place. Meeting adjourned at 9:55 am.

Respectfully submitted:


Representative Joanne W. Bowie
Co-Chair


Senator Luther Jordan, Jr.
Co-Chair


Sharon A. Gaudette
Committee Clerk

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Sub-Committee Transportation
Name of Committee

2-26-97
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

Jerry Arrowood	DNR ENF
Ruth Sappie	DOT
Oak Mill	SCENIC NC
Rob Nelson	OSBM
Natalie Haskins	Charlotte Chamber
John Long	Martin Marietta
Mitch Leonard	SEANC
Jane Jones	Leadership 9
Donna Lupton	" " " "
Patricia Hawkins	Leadership Beyond 9
Atton T. Byers	" " " "
Ther R Boyd	" " " "
Mike McKinney	" " " "
Chuck Borden	" " " "

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Sub-Committee Transportation
Name of Committee

2-26-97
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

David Eberhard	Leadership Haywood
Blaime Jones	Leadership Haywood
Tommy Jones	Leadership Haywood
DWAYNE WISEMAN	Leadership Haywood
CAROL SCHRAMM	--
Lorene Todd	Leadership Haywood
Ponna Wolski	Leadership Haywood
Concha Wyatt	Leadership Haywood
Vicki Hyatt	" "
Robert T Cooper	" "
Robert Green	Leadership Haywood
Bobbie Contino	Leadership Haywood Arts Council Marion County
Jimmy Martin	Chief Deputy Haywood Co. S.D.
LYMAN COOPER	CSX corp.

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Sub-Committee Transportation

2-26-97

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

Bucky Keith

DOT

Carolyn Beld

DOT

JOINT APPROPRIATIONS
TRANSPORTATION SUBCOMMITTEE

February 26, 1997

Agenda

1. Program Budgeting

David Herlong, Planning Analyst
Office of State Planning

2. Continuation Budget Overview

Tony Goldman, Staff

3. Continuation Budget Review

DOT Administration
Budget Code (84210)

Karl Knapp, Staff
Tony Goldman, Staff

Department of Transportation

1997-98 Recommended Total Requirements by Program Area
\$2,416.22 million



Transportation
\$2,426.68 million

Environment
\$2.63 million

Objectives

Transportation Program Area

Construct major arterial highways (P/PB 8110)	- Implement design and highway improvements to reduce fatality and accident rates one percent per year. - Maintain travel times on the major arterial highways to meet a statewide average minimum level of Service C (satisfactory speed, stable flow, maneuverability moderately restricted). - Provide an overall implementation rate of 90 percent on Transportation Improvement Program (TIP) projects programmed.
Construct secondary roads (P/PB 8110)	- Reduce the number of secondary road bridges with posted weight limits 8 percent annually. - Pave 75 percent of unpaved secondary roads by 2005 (base year 1989).
Special purpose projects (P/PB 8130)	- Respond to as many specific qualified traffic flow improvements and safety needs as possible that are not eligible for TIP or secondary road funds. - Supplement funding to provide and improve access to local school systems and industry locations that are not eligible for TIP, secondary roads or industrial access funding for TIP, secondary roads or industrial access funding.
Maintain arterial highways (P/PB 8210)	- Reduce the highway pavement backlog by applying maintenance overlays on a ten year cycle time for primaries and a twelve year cycle time for urban facilities. - Reduce the highway routine maintenance backlog by 10 percent annually.
Maintain secondary roads (P/PB 8220)	- Reduce the highway pavement backlog by applying maintenance overlays on a twelve year cycle time. - Reduce the highway routine maintenance backlog by applying 10 percent of maintenance funds annually.
Expand, improve, maintain, and operate public transit systems (P/PB 8300)	- Provide funding for transit systems in North Carolina cities with more than 50,000 persons upon request. - Ensure coordinated rural public transportation systems in counties that receive state and federal financial assistance. - Support vanpooling with capital assistance for 100 percent of demonstrated need. - Improve the safe operation of urban and rural transit systems by providing training to 500 employees annually. - Conduct transportation development plans for rural public transportation systems in 20 counties annually.
Revitalize railroads and rail corridors (P/PB 8400)	- Prevent rail corridor abandonment within 20 miles of all urbanized areas greater than 100,000 in population. - Broker short line business on 75 percent on all abandoned corridors. - Improve the travel time by rail between Raleigh and Charlotte to two hours by 2000. - Increase passenger travel by 10 percent per year.
Plan, develop and support the North Carolina Aviation System (P/PB 8500)	- Provide airport facilities capable of meeting the needs of modern business aviation users. - Correct existing safety deficiencies at North Carolina airports. - Increase all weather access to the airport system. - Increase safety enhancement training for pilots and mechanics across North Carolina. - Increase full service airport maintenance programs to extend the life of the facilities and maintain adequate safety levels. - Provide aviation operations support for DOT programs, missions, and management.
Establish, maintain and operate ferries (P/PB 8600)	- Provide ferry service to all water-locked, inhabited locations without bridges. - Increase ferry service to meet minimum headway of one hour for 90 percent of passengers during peak hours and seasons. - Evacuate and remove 100 percent of projected peak capacity from water locked locations within six hours of notice.
Regulate motor vehicle operators (P/PB 8710)	- Ensure all driver license applicants are knowledgeable of highway, traffic, and safety laws. - Ensure all school bus drivers are medically and physically capable to operate school buses. - Improve the availability of monthly and annual statistical crash data from 30 days to 15 days by 1998.
Register motor vehicles and enforce highway laws (P/PB 8720)	- Prevent damage to highway surfaces by enforcing statutory weight of vehicles and load laws. - Ensure an 80 percent recovery rate of all reported stolen vehicles. - Ensure all vehicle inspection stations conduct valid inspections. - Reduce the amount of time required to process registration and titling documents and materials by 25 percent in 1998. - Ensure that all fleet vehicles based in North Carolina are properly registered under the International Registration Plan reciprocity agreement.
Coordinate highway safety programs (P/PB 8730)	- Increase seat belt usage by drivers and front seat passengers in vehicles to 85 percent by 1997-98. - Decrease the percentage of alcohol related fatalities to 26 percent of total traffic fatalities by 1997-98.

Environment Program Area

Preserve and enhance air quality (P/PB 5700)	Ensure attainment of the national ambient air quality standards.

Origin and Recent Developments of Performance/Program Budgeting



Over the years, the public sector has experimented with a variety of ways to measure the efficiency and effectiveness of its programs. Only recently, however, have most states and the federal government recognized the value of incorporating planning and evaluation (through outcome and performance measures) into their accountability systems. North Carolina is at the forefront of this movement and has linked planning and program evaluation to the budgeting process.

In 1991, an intensive effort to study North Carolina's state government was conducted by a legislative Governmental Performance Audit Committee (GPAC). The study revealed that:

- the state's planning, budgeting and program evaluation functions operated independently and were not linked to provide ample managerial information
- the state lacked an effective long-range or strategic planning process
- the traditional line-item budget did not provide policy makers with the intent, content and results of programs needed for decision-making
- the state lacked a comprehensive, orderly approach to program evaluation

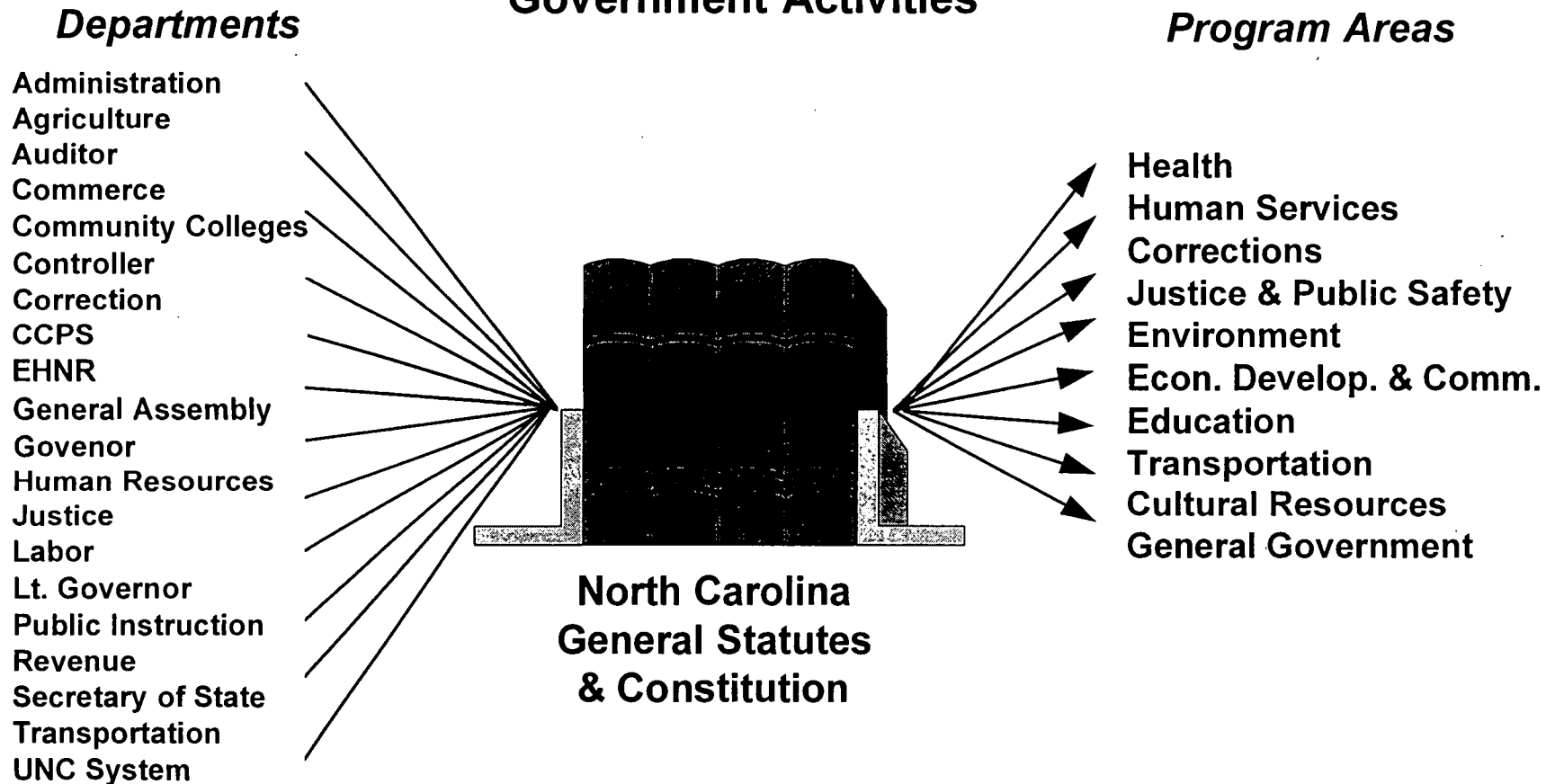
Based on these findings, GPAC recommended that state government develop:

- a strategic planning process that included a statewide plan transcending departmental boundaries
- a performance-based budget
- a process to ensure regular comprehensive program evaluation

The 1994 and 1995 General Assembly passed legislation (G.S. 143-10.3-10.6) mandated strategic planning, departmental operations planning, and performance/program budgeting for all state government agencies. A planning process that integrates performance/program budgeting and individual department operations planning has now been institutionalized in *all* state agencies. The Office of State Planning and the Office of State Budget and Management have consolidated the two sets of budget document formats delivered to the 1995 General Assembly and thus modified the content for better presentation. The performance/program budget representing all program areas of state government will be delivered to the 1997 General Assembly.

Perspective
of
Performance/Program Budgeting

Another Way of Looking at
Government Activities



1997-98 Recommended Continuation Budget Summary
by Program Area
(in \$ millions)

Program Areas	Health	Human Services	Corrections	Justice & Public Safety	Environ.	Econ. Devl & Com.	Education	Transport.	Cultural Resources	General Govern.	Total
Departments											
Administration	0.23	23.18	-	-	0.94	1.15	-	-	-	90.37	115.87
Office of Administrative Hearings	-	-	-	-	-	-	-	-	-	2.34	2.34
Agriculture	9.29	2.66	-	-	4.71	59.11	-	-	-	-	75.77
Board of Elections	-	-	-	-	-	-	-	-	-	1.04	1.04
Commerce	0.29	178.92	-	-	-	174.04	-	0.03	-	2.20	355.48
Community Colleges	-	6.19	-	-	-	13.75	537.48	-	-	-	557.42
Correction	-	-	917.33	-	-	-	-	-	-	-	917.33
Crime Control and Public Safety	-	-	-	191.41	-	-	-	-	-	-	191.41
Cultural Resources	-	-	-	-	-	-	-	-	58.04	-	58.04
Environment, Health, and Natural Resources	362.89	-	0.60	-	218.71	7.10	-	-	-	1.09	590.39
General Assembly	-	-	-	-	-	-	-	-	-	31.12	31.12
Human Resources	5,316.86	1,696.11	52.72	-	-	-	34.28	-	-	-	7,099.97
Insurance	10.18	-	-	-	-	38.94	-	-	-	-	49.12
Judicial	-	-	-	347.82	-	-	-	-	-	-	347.82
Justice	-	-	-	72.54	-	-	-	-	-	-	72.54
Labor	18.42	4.18	-	-	-	1.94	-	-	-	-	24.54
Governor's Office	-	-	-	-	-	-	-	-	-	5.40	5.40
Office of State Budget and Management	-	-	-	-	-	-	-	-	-	3.74	3.74
Office of State Planning	-	-	-	-	-	-	-	-	-	4.25	4.25
Housing Finance Authority	-	45.20	-	-	-	-	-	-	-	-	45.20
Office of the Lieutenant Governor	-	-	-	-	-	-	-	-	-	0.59	0.59
Public Instruction	-	-	-	-	-	-	4,705.88	-	-	-	4,705.88
Revenue	-	-	-	-	-	-	-	-	-	70.08	70.08
Secretary of State	-	-	-	-	-	4.80	-	-	-	0.44	5.24
State Auditor	-	-	-	-	-	-	-	-	-	10.57	10.57
State Controller	-	-	-	-	-	-	-	-	-	141.08	141.08
State Treasurer	-	-	-	-	-	-	-	-	-	29.26	29.26
State Major Health Plan	-	-	-	-	-	-	-	-	-	17.27	17.27
Rules Review Commission	-	-	-	-	-	-	-	-	-	0.28	0.28
Transportation	-	-	-	-	2.63	-	-	2,413.59	-	-	2,416.22
University of North Carolina	412.75	-	-	-	-	-	1,820.30	-	-	-	2,233.05
Wildlife Resources Commission	-	-	-	-	48.09	-	-	2.29	-	-	50.38
Special Boards and Commissions	-	-	-	-	-	2.35	-	-	-	-	2.35
Compensation Increase	16.65	3.25	22.18	12.01	1.88	2.65	228.79	-	0.89	14.41	302.71
Debt Service / Federal Debt	0.77	-	23.61	0.12	42.98	-	78.35	-	-	0.43	146.26
Other Reserves	-	-	-	0.40	-	-	-	-	-	14.06	14.46
Total Requirements	6,148.33	1,959.69	1,016.44	624.30	319.94	305.83	7,405.08	2,415.91	58.93	440.02	20,694.47
Receipts/Cash Balances	4,111.43	1,499.43	103.29	218.17	159.49	181.89	1,071.98	540.05	6.42	209.80	8,101.95
General Fund Appropriation	2,036.90	460.26	913.15	406.13	160.45	123.94	6,333.10	0.00	52.51	230.22	10,716.66
Highway Fund Appropriation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,875.86	0.00	0.00	1,875.86
Number of Positions	20,089.69	5,582.36	20,355.05	8,670.88	3,406.51	2,452.85	28,197.46	14,334.60	718.63	3,350.05	107,158.08
Community College / Public School Employees	0.00	0.00	0.00	0.00	0.00	0.00	135,172.77	0.00	0.00	0.00	135,172.77

NOTE: The totals in this table represent total requirements in departments' budgets and are not adjusted for inter- and intra-department transfers.

1997-98 Recommended Continuation Budget Summary
for
Transportation Subcommittee
(in millions)

Program Areas	Health	Human Services	Corrections	Justice & Public Safety	Environ.	Econ. Devl & Com.	Education	Transport.	Cultural Resources	General Govern.	Total
Departments											
Transportation	-	-	-	-	2.63	-	-	2,413.59	-	-	2,416.22
Total Requirements	-	-	-	-	2.63	-	-	2,413.59	-	-	2,416.22
Receipts/Cash Balances	-	-	-	-	2.63	-	-	537.73	-	-	540.36
General Fund Appropriation	-	-	-	-	0.00	-	-	0.00	-	-	0.00
Highway Fund Appropriation	-	-	-	-	0.00	-	-	1,875.86	-	-	1,875.86
Number of Positions	-	-	-	-	46.00	-	-	* 14,298.60	-	-	14,344.60

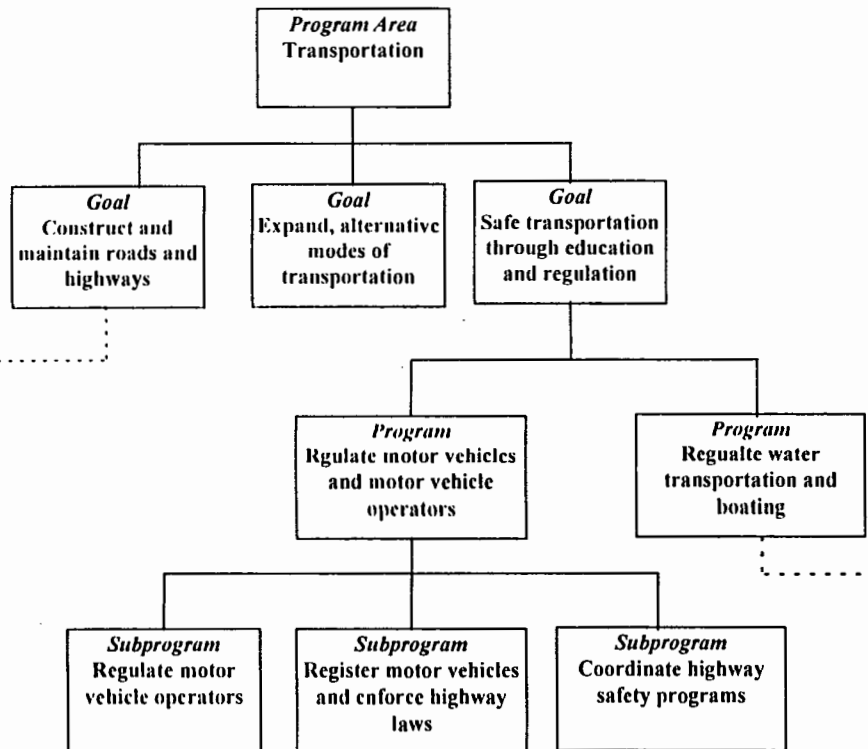
* For FY 1997-98, 11,200.60 of the 14,298.60 positions dedicated to the Transportation Program Area are charged against work orders.

Steps to Performance/Program Budgeting

1. **Identify program areas**, representing the major service commitments of state government. The North Carolina Constitution and the General Statutes provided the basis for identifying program areas. There are ten (10) areas:
 - Corrections
 - Cultural resources
 - Commerce and Economic Development
 - Education
 - Environment
 - General Government
 - Health
 - Human Services
 - Justice and Public Safety
 - Transportation
2. **Delineate each program area into hierarchical outline of programs, subprograms and elements** to provide greater insight into legislative intent and state policies. The North Carolina Constitution and the General Statutes provided the basis for developing the outlines.
3. **Classify all state government services/activities and supporting budget funds to a program, subprogram, or element.** Develop a program classification accounting code to delineate each program, subprogram, and element. Assign all state government funds with a program classification code. Requirements, receipts, expenditures, objectives, and outcomes will be tracked by program classification codes.
4. **Conduct strategic/performance planning.** Department operations planning is conducted in concert with program planning (by Program Area). Department operation planning is the foundation used to do program planning. Strategic/performance planning is an eight step process incorporating the following tasks:
 - a) **Convene departments serving similar client needs or expected outcomes** to improve collaboration and help avoid gaps and overlap in services. Identify target populations and expected outcomes.
 - b) **Identify emerging trends and factors** and the effects these trends and factors have on workload, program operations and expected outcomes.
 - c) **Identify objectives and outcome measures.** Departments set their own objectives and outcome measures, then collaborate with other departments serving similar client needs or expected outcomes for the purpose of coordination.
 - d) **Identify strategies, activities, and innovations** for achieving objectives and improving services. Strategies show the different types of activities used to accomplish objectives. Innovations represent new ideas (within current funding levels) for making services more effective or efficient.

Classification Structure of Performance/Program Budgeting

The Performance Budget provides information in an orderly presentation progressing from the general concept to a specific focus.



* **“Program”** refers to a *group of activities* sharing a common purpose. Also, these activities are not limited to any one state organization.; they may involve several agencies working together toward the achievement of a single outcome.

Here is an example of how levels in a program area may be divided:

Program Area: Transportation

Goal: Ensure safe transportation through education and regulation

Program: Regulate motor vehicles and motor vehicle operators

Subprogram: Register motor vehicles and enforce highway laws

Note that some programs have *no* further division into subprograms, while others have subprograms that are further divided into *elements*. The specific breakdowns of the programs depend upon the purposes expressed in the associated General Statutes and regulations.

The intention is to make program categories broad enough to encompass activities that:

- share a common purpose,
- have common or similar customers or clients,
- have common or similar outcome measures, and
- can be analyzed by similar methods.

TRANSPORTATION PROGRAM AREA

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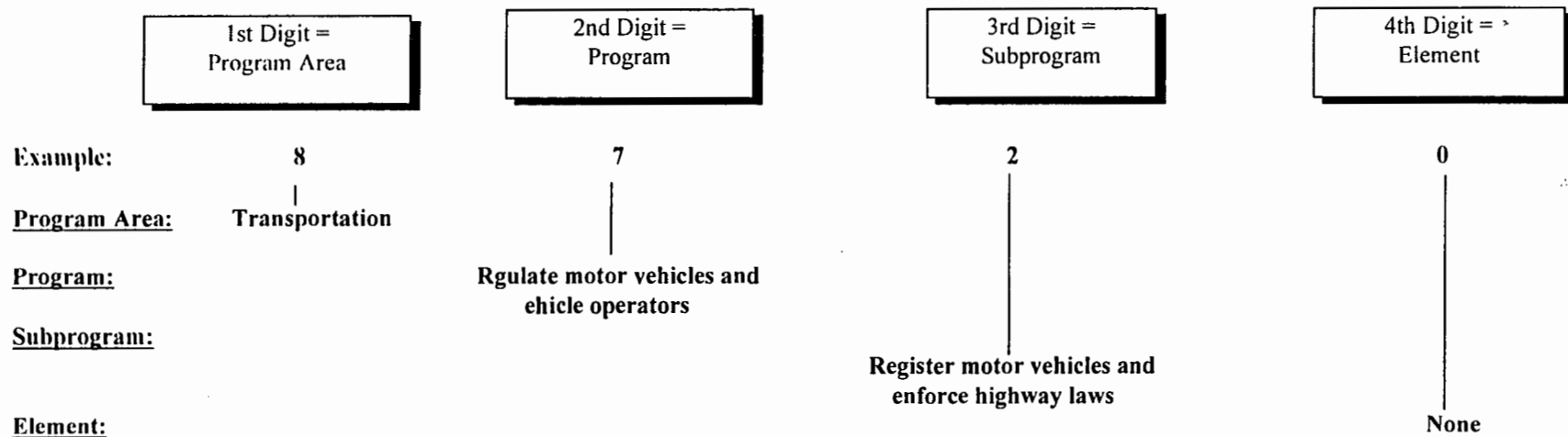
	<u>P/PB Code</u>	<u>Page</u>
Program Area Budget Summary		8-1
Program Area Summary	8000	8-3
Goal: <u>Plan, design, construct, repair, and maintain roads and highways</u>		8-7
Program: Plan, design, construct, and expand roads and highways	8100	8-9
Subprogram: Major arterial highways	8110	8-11
Subprogram: Secondary roads	8120	8-19
Subprogram: Special purpose projects	8130	8-25
Program: Maintain and repair roads	8200	8-31
Subprogram: Major arterial highways	8210	8-33
Subprogram: Secondary roads	8220	8-39
Goal: <u>Expand, improve and support alternative and non-highway modes of transportation</u>		8-45
Program: Expand, improve, maintain, and operate public transit systems	8300	8-47
Program: Revitalize railroads and preserve railway corridors	8400	8-57
Program: Plan, develop and support the North Carolina Aviation System	8500	8-65
Program: Establish, maintain and operate ferries	8600	8-75
Goal: <u>Ensure safe transportation through education and regulation</u>		8-83
Program: Regulate motor vehicles and motor vehicle operators that use the highways	8700	8-85
Subprogram: Regulate motor vehicle operators	8710	8-87
Subprogram: Register motor vehicles and enforce highway laws	8720	8-95
Subprogram: Coordinate highway safety programs	8730	8-105
Program: Regulate water transportation and boating	8800	8-111
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PERFORMANCE BUDGET ACCOUNTING

As of the 1997-99 biennium, each budget fund will be linked to a program number and there will be no split funds. This change accommodates a new accounting system in the Office of the State Controller. The change will not affect the former budget and accounting for Performance Budget Accounting, which uses a four-digit program number to correspond to the hierarchy in the program classification outline. The **first digit** identifies the **Program Area**; the **second digit** identifies the **Program**; the **third digit** identifies the **Subprogram** (if applicable); and the **fourth digit** identifies the **Element** (if applicable).

The program number will not replace the operating fund number used in the traditional budget, but the program number will be used in addition to the operating fund number to accommodate Performance Budget implementation. The program number will be incorporated into all phases of budget and accounting to reflect the reporting and budgetary control that will be used when Performance Budgeting is implemented.

PROGRAM NUMBER



Transportation Program Area
Continuation Budget Summary by Department
(in millions)

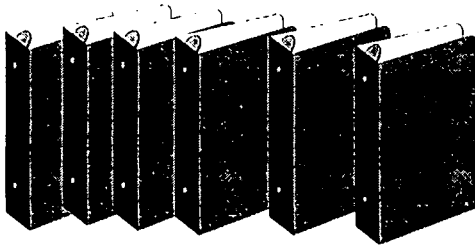
1997-98					1998-99				
Program Area: Transportation									
Goal I - Plan, design, construct, repair, and maintain roads and highways									
• Plan, design, construct, and expand roads and highways	DOT	Wildlife	Commerce	Total	DOT	Wildlife	Commerce	Total	
• Major arterial highways	1,742.95	0.00	0.00	1,742.95	1,771.90	0.00	0.00	1,771.90	
• Secondary roads	1,191.30	-	-	1,191.30	1,216.18	-	-	1,216.18	
• Special purpose projects	1,025.17	-	-	1,025.17	1,045.35	-	-	1,045.35	
• Maintain and repair roads and highways	149.03	-	-	149.03	153.73	-	-	153.73	
• Major arterial highways	17.10	-	-	17.10	17.10	-	-	17.10	
• Secondary roads	551.65	-	-	551.65	555.72	-	-	555.72	
	246.66	-	-	246.66	246.59	-	-	246.59	
	304.99	-	-	304.99	309.13	-	-	309.13	
Goal II - Expand, improve, and support alternative and non-highway modes of transportation	71.82	0.00	0.00	71.82	72.47	0.00	0.00	72.47	
• Expand, improve, maintain, and operate public transit systems	23.25	-	-	23.25	23.25	-	-	23.25	
• Revitalize railroads and preserve railway corridors	1.21	-	-	1.21	1.21	-	-	1.21	
• Plan, develop and support the North Carolina aviation system	28.18	-	-	28.18	28.82	-	-	28.82	
• Establish, maintain and operate ferries	19.18	-	-	19.18	19.19	-	-	19.19	
Goal III - Ensure safe transportation through education and regulation	91.57	2.29	0.03	93.89	91.53	2.23	0.03	91.53	
• Regulate motor vehicles and motor vehicle operators that use highways	91.57	-	-	91.57	91.53	-	-	91.53	
• Regulate motor vehicle operators	29.14	-	-	29.14	29.06	-	-	29.06	
• Register motor vehicles and enforce highway laws	57.71	-	-	57.71	57.75	-	-	57.75	
• Coordinate highway safety programs	4.72	-	-	4.72	4.72	-	-	4.72	
• Regulate water transportation and boating	-	2.29	0.03	2.32	-	2.23	0.03	2.26	
Auxiliary services and administration	99.31	-	-	99.31	99.47	-	-	99.47	
Reserves, transfers and other accounting funds	407.94	-	-	407.94	408.97	-	-	408.97	
Total Requirements	2,424.04	2.29	0.03	2,426.36	2,455.41	2.23	0.03	2,457.67	
Receipts/Cash Balances	537.73	0.48	0.03	538.24	538.37	0.48	0.03	538.88	
General Fund Appropriation	10.46	0.00	0.00	10.46	11.08	0.00	0.00	11.08	
Highway Fund Appropriation	1,886.32	0.00	0.00	1,886.32	1,917.04	0.00	0.00	1,917.04	
Number of Positions	3,098.00	36.00	0.00	3,134.00	3,098.00	36.00	0.00	3,134.00	

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Vol. 7 (b)

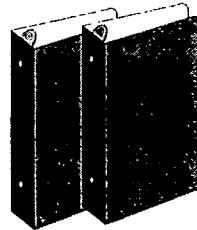
**Documents
of
Performance/Program Budgeting**

Three sets of documents support the 1997-99 State Performance Budget



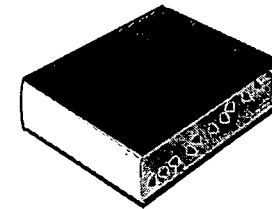
**6 budget volumes
Organizationally
Structured**

+



**2 budget volumes
Programmatically
Structured**

+



**1 planning volume
organizationally
Structured**

Key Documents of Performance/Program Budgeting

Three key documents are associated with Performance/Program Budgeting:

1. Performance/Program Budget, by department (Volumes 1-6)

This document is considered the traditional line-item budget. There are six (6) volumes, which include all of the budget funds used to support state government services. The six volumes correspond to six (6) legislative committees set up to examine the Governor's recommended budget. The funds in each volume are grouped by department, and include line-by-line objects of expenditure, providing the basis for fiscal control. All of the funds are also cross referenced to the programs they support. There are approximately 1,350 budget funds.

2. Performance/Program Budget, by program (Volumes 7a and 7b)

This document groups budget information by program area and provides policy-related information on the purpose and intent of funds. There are ten (10) program areas, each representing a broad sector of public services--education, economic development and commerce, corrections, etc. Within each program area, funds are classified by program, subprogram or element, each addressing a type of policy issue, such as "Communicable disease" or "Access to health care." Fiscal information is presented by "categories of expenditure" rather than by specific "objects of expenditure." If funds were actually appropriated by categories rather than by objects, departmental managers would have greater flexibility in administering their funds. In the program presentation, funds from different departments are sometimes classified together if they address a similar policy issue.

3. Departments Operations Plan

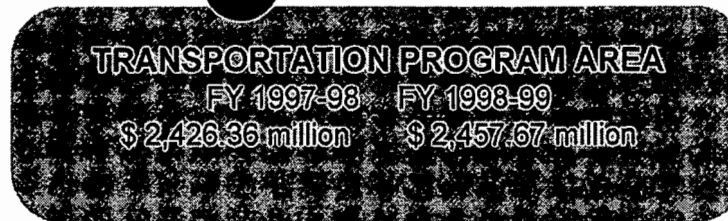
This document provides department operations plans for each of the principle department in state government. Plans included in this volume describe specifically how (through strategies and activities) each department's program objectives are being addressed by the department. In addition, each plan shows what new innovations are planned over the next six years to improve the performance of department or program activities. Both the departmental and program budget documents are cross-referenced to the department plan.

Cross-references

Certain reference points are used to link the *Performance/Program budget documents* with each other and with the *department operations plan*. Reference points include: program objectives, outcome measures (values only shown in budget documents), supporting funds, and P/PB codes.

TRANSPORTATION PROGRAM AREA

The transportation program area includes state policies and activities that are directed toward planning, constructing, and maintaining roads and highways; developing and improving alternate transportation modes; and ensuring safe transportation through education and regulation.



Goals

Plan, design, construct, repair, and maintain roads and highways
 FY 1997-98 FY 1998-99
 \$1,742.95 million \$1,771.90 million

Expand, improve, and support alternative and non-highway modes of transportation
 FY 1997-98 FY 1998-99
 \$71.82 million \$72.47 million

Ensure safe transportation through education and regulation
 FY 1997-98 FY 1998-99
 \$93.88 million \$93.79 million

Programs

1. Plan, design, construct, and expand roads and highways.
2. Maintain and repair roads and highways.

1. Expand, improve, maintain, and operate public transit systems.
2. Promote and improve railroad service.
3. Plan, develop and support the aviation system.
4. Establish, maintain and operate ferries.

1. Regulate motor vehicles and motor vehicle operators that use highways.
2. Regulate water transportation and boating.

Note: The Goal budget figures do not include administrative and reserve totals associated with P/PB 8998 and 8999, which total \$507.25 million for FY 1997-98 and \$508.43 million for 1998-99.

8700 Regulate motor vehicles and motor vehicle operators that use highways

Purpose

The purpose of this program is to ensure competent motor vehicle drivers, register motor vehicles and promote safe driving conditions.

Expected outcomes

The expected outcomes of this program are safe driving conditions.

Budget by Subprogram (in millions)

Subprogram	1997-98	1998-99
Regulate motor vehicle operators (8710)	\$29.14	\$29.06
Register motor vehicles and enforce highway laws (8720)	\$57.71	\$57.75
Coordinate highway safety programs (8730)	\$4.72	\$4.72

Background and trends

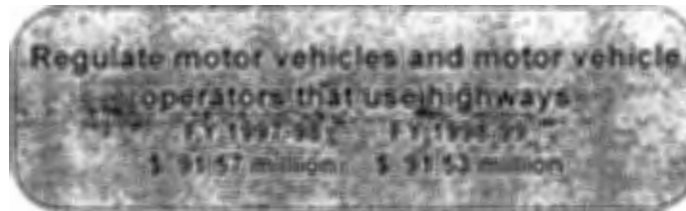
Motor vehicles are the most common mode of transportation in North Carolina and the nation. They are also the leading cause of accidental death in the state and the number one cause of all deaths in young people. This program area has programs and activities to make sure the motoring public is as safe as possible.

The growth of North Carolina's population has increased the number of vehicle drivers and the number of vehicles on the road. Increasing urbanization and improved access to multi-lane highways has resulted in more people living further from employment centers. This, in turn, has resulted in more highway miles being driven. Requiring a standard knowledge of highway laws and regulations will help in reducing vehicle accidents, injuries and deaths.

The state's demographics also indicate a rapidly increasing youth population (age 1 to 21). Traffic accidents are the leading cause of all deaths in this age group. Several approaches are needed to prevent injuries and deaths from vehicle accidents in this group. These including: requiring child restraint seats for infants and toddlers, increasing the use of seat belts in vehicles, and making sure that young drivers are fully competent to operate a motor vehicle.

Registering vehicles provides information important in the enforcement of vehicle laws, recovering stolen vehicles, and the collection of revenue relative to the ownership and operation of all motor vehicles.

8700 Regulate motor vehicles and motor vehicle operators that use highways



Subprograms

Regulate motor vehicle operators

FY 1997-98 FY 1998-99
\$29.14 million \$29.06 million

Register motor vehicles and enforce highway laws

FY 1997-98 FY 1998-99
\$57.71 million \$57.75 million

Coordinate highway safety programs

FY 1997-98 FY 1998-99
\$4.72 million \$4.72 million

Objectives

1. Make sure that all driver license applicants are knowledgeable of highway, traffic and safety laws.
2. Make sure that all school bus drivers are medically and physically capable of operating school buses.
3. Improve the availability of monthly and annual statistical crash data from 30 to 15 days by 1998.

1. Prevent damage to highway surfaces by enforcing statutory weight of vehicles and load laws.
2. Ensure an 80% recovery rate of all reported stolen vehicles.
3. Ensure that all vehicle inspection stations conduct valid inspections.
4. Reduce the amount of time required to process registration and titling documents and materials by 25% in 1998.
5. Make sure that all fleet vehicles based in North Carolina are properly registered under the International Registration Plan reciprocity agreement.

1. Increase seat belt usage by drivers and front seat passengers in vehicles to 85% statewide by 1997-98.
2. Decrease the percentage of alcohol-related fatalities to 26% of total traffic fatalities by 1997-98.

8720 Register motor vehicles and enforce highway laws

Purpose

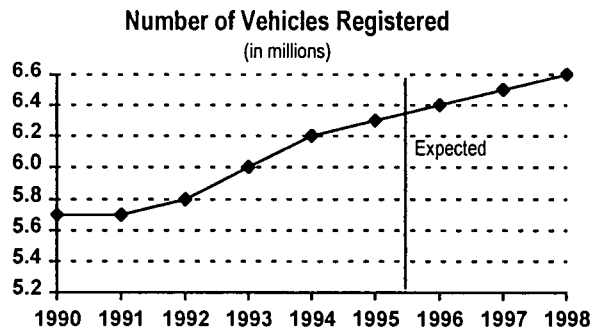
The purpose of this subprogram is to regulate motor vehicles and motor vehicle operators.

Expected outcomes

The expected outcomes of this subprogram are reduced road maintenance, improved highway safety, reduced vehicle theft, improved customer service, enhanced state revenue, reduced vehicle theft and lower insurance rates, reduce rest area crime, and compliance with N.C. driver license and financial responsibility laws.

Background and trends

The registration of motor vehicles is important to ensure legal titling and ownership and to establish tax valuation. Proper records are needed to aid in the recovery of stolen vehicles and to assist law enforcement agencies in tracking and verifying vehicle ownership. The number of registered vehicles is expected to increase at a rate of 1.4 percent per year based on historical trends over the last five years.



The motor vehicle is the second-most valuable possession of most citizens (a primary residence ranks first). This makes motor vehicles prime targets of crime and theft. Currently, North Carolina has one of the highest recovery rates of stolen vehicles in the nation (80%). Strategies and activities of this subprogram work to make sure this rate is maintained.

Enforcing vehicle weight limits is a key activity of this subprogram. Vehicle weight limits are set to meet the design requirements of highway surfaces and bridges. Vehicles that exceed posted limits damage pavement surfaces and pavement integrity resulting in more frequent and costly maintenance and repair. While maintenance and repair of highways is addressed in subprograms 8210 and 8220, this subprogram includes weight limit enforcement activities and operation of weigh stations. Increasing truck size and raising weight limits continues to be an important objective of the trucking industry nationally. While the new Intermodal Surface Transportation Efficiency Act (ISTEA) places a moratorium on expanded weights and limits, the issue will continue to be pursued in the future by the trucking industry.

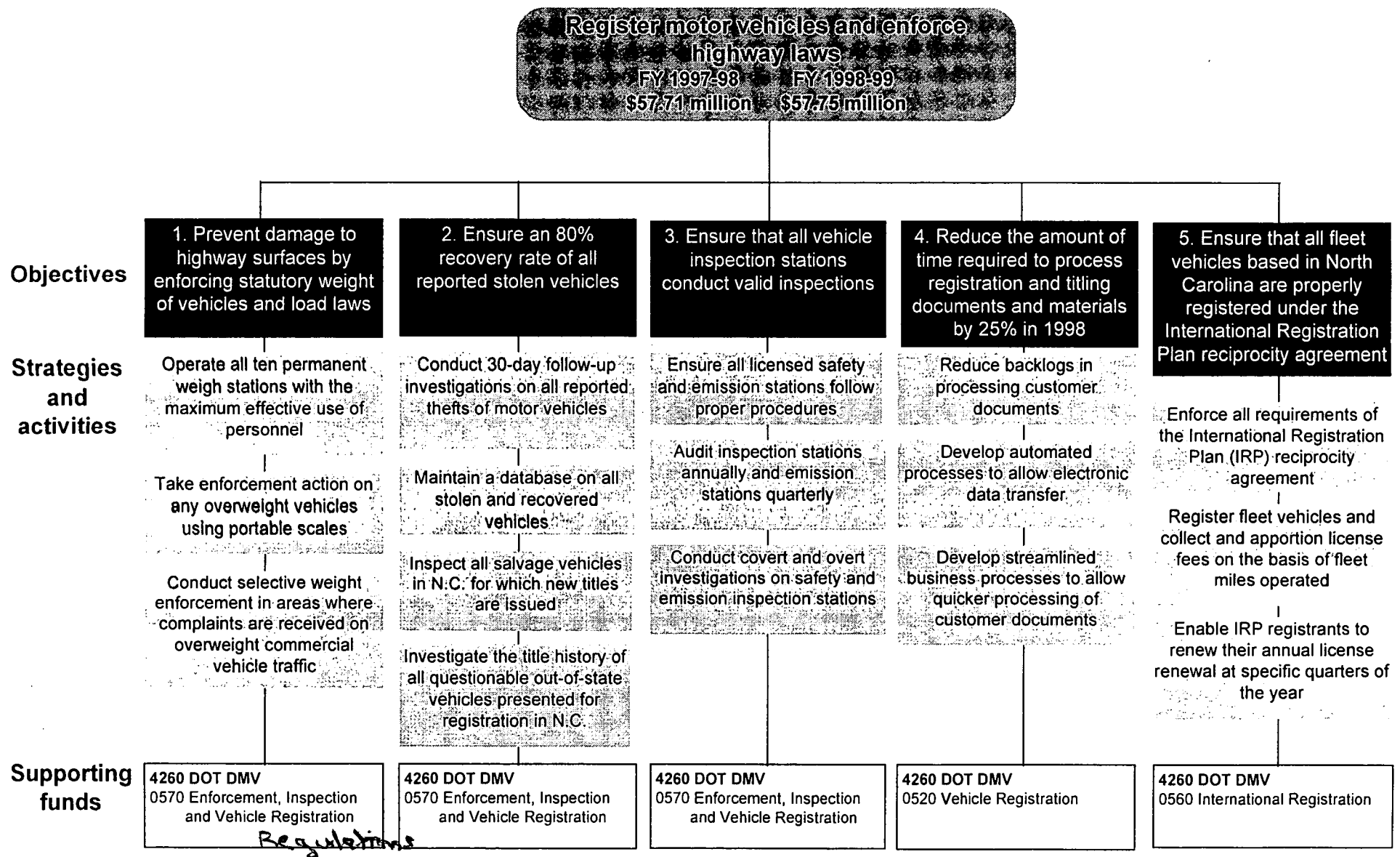
There are approximately 2 million commercial vehicle registrations in North Carolina. The state is losing approximately \$40 million annually in revenue due to commercial vehicle fuel tax evasion. Activities in this subprogram work to reduce evasion of this important source of revenue.

With the economic impact of domestic tourism in North Carolina exceeding \$9.2 billion a year, it is imperative that travelers not only feel safe, but are safe as they travel and use the state's facilities. Funds in this subprogram support "Rest Assured" activities to ensure safe conditions at highway rest areas.

All motor vehicles are subject to an annual inspection to make sure that safety equipment is in proper working order. Inspection stations are monitored through covert operations to make sure that thorough and accurate inspections are being conducted.

Because of the large number of people that are served by vehicle registration activities, good customer service must be a key component of conducting business. A new computer system (near completion) will provide more accurate data along with faster, more complete customer service.

8720 Register motor vehicles and enforce highway laws



8720 Register motor vehicles and enforce highway laws

Objective 2: Ensure an 80% recovery rate of all reported stolen vehicles.

Measures	Actual					Estimated	Expected	Expected
	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
Outcome Measures:								
Recovery rate of stolen vehicles	n/a	n/a	78%	81%	76%	80%	80%	80%
Performance Measures:								
Number of stolen vehicles recovered	15,733	14,922	15,565	16,684	16,610	16,544	16,462	16,308
Anti-theft inspections	44,176	48,800	51,200	49,314	50,309	51,315	52,331	53,377
Number of undercover investigations completed	2,297	2,421	2,532	3,947	2,324	2,340	2,350	2,375
Registration Investigations	9,261	10,497	11,000	10,473	8,280	8,000	7,700	7,550

Current Situation:

Funds:

4260 DOT DMV

0570 Enforcement, Inspection and Vehicle Regulation

87 Register motor vehicles and enforce highway laws

1996-97 Authorized Expenditures

	Number of <u>Positions</u>	Total <u>Requirements</u>	Total <u>Receipts</u>	Total <u>Appropriation</u>	Percent of Total <u>Requirements</u>
Funds reviewed by					
<u>Transportation Appropriations Subcommittee:</u>					
4260 DOT-DMV					
0520 VEHICLE REGISTRATION	457.00	30,610,029.00	3,466,428.00	27,143,601.00	52.66
0560 INTERNATIONAL REG. PLAN	41.00	1,760,602.00	34,928.00	1,725,674.00	3.03
<u>0570 ENFOR., INSP., VEHIC REG</u>	<u>539.00</u>	<u>25,760,579.00</u>	<u>1,694,970.00</u>	<u>24,065,609.00</u>	<u>44.31</u>
TOTAL FOR 8720 FUNDS	1,037.00	\$ 58,131,210.00	\$ 5,196,326.00	\$ 52,934,884.00	100.00

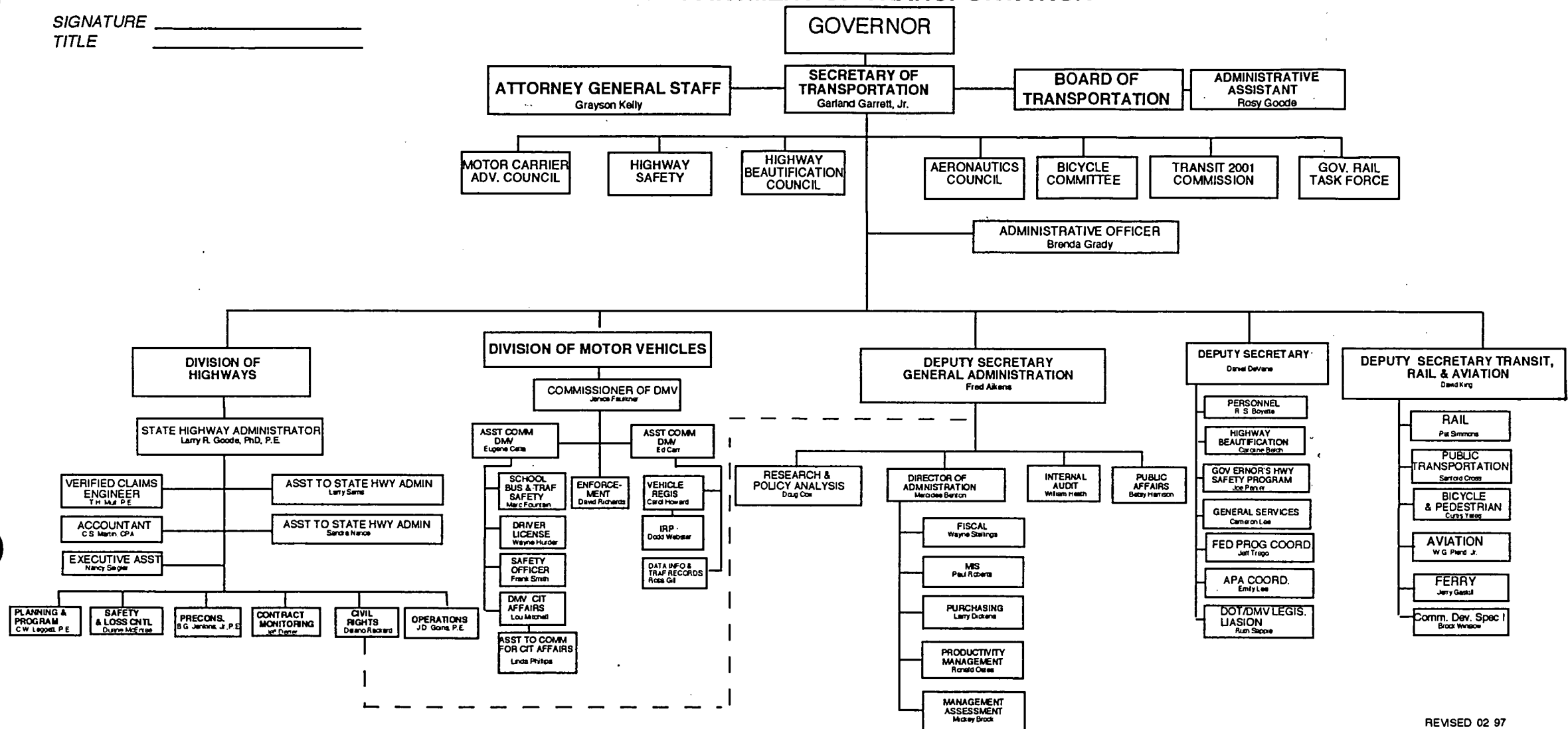
8720 Register motor vehicles and enforce highway laws

	1996-97	***** 1997-98 *****	***** 1998-99 *****
	AUTHORIZED	INCREASE/DECREASE TOTAL RECOMMENDED	INCREASE/DECREASE TOTAL RECOMMENDED
REQUIREMENTS	58,131,210	-424,012 57,707,198	-376,928 57,754,282
INTER/INTRA TRANSFERS IN	0	0 0	0 0
OTHER ESTIMATED RECEIPTS	5,196,326	-116,468 5,079,858	-112,445 5,083,881
NET APPROPRIATION	0	0 0	0 0
HIGHWAY FUND APPROPRIATION	52,934,884	-307,544 52,627,340	-264,483 52,670,401
NUMBER OF POSITIONS	1,037.00	.00 1,037.00	.00 1,037.00

II (a)

SIGNATURE _____
TITLE _____

DEPARTMENT OF TRANSPORTATION



REVISED 02 97

II. (b)
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N.C. State Budget, 1997-99: Summary of Recommendations
Transportation - Continued

Table 8
Highway Fund Revenue, 1997-99

	<u>1996-97</u> <u>Estimated</u>	<u>1997-98</u> <u>Projected</u>	<u>1998-99</u> <u>Projected</u>
Motor Fuels Taxes:			
Motor Fuel Tax	\$ 735,584,000	\$ 760,254,000	\$ 779,700,000
Gasoline Inspection Fee	11,971,000	12,402,000	12,699,000
Highway Use Registration Fee	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Total Motor Fuels Tax	\$ 748,055,000	\$ 773,156,000	\$ 792,899,000
Licenses and Fees:			
Staggered Registration Plan	\$ 126,665,000	\$ 129,315,000	\$ 131,566,000
Driver Licenses	69,897,000	71,009,000	64,473,000
Truck Plates	51,904,000	53,550,000	54,836,000
International Registration Plan	45,533,000	46,175,000	47,403,000
Restoration Fees	6,095,000	6,235,000	6,397,000
Service Process Fees	3,930,000	4,021,000	4,125,000
Safety Inspection Fees	3,423,000	3,501,000	3,592,000
Registration Fees	2,275,000	2,328,000	2,388,000
Overweight/Size Permits	2,034,000	2,081,000	2,135,000
Dealers and Manufacturers License Fees	<u>1,192,000</u>	<u>1,219,000</u>	<u>1,251,000</u>
Total Licenses and Fees	\$ 312,948,000	\$ 319,433,000	\$ 318,166,000
Other State Revenue:			
Assessments	\$ 5,479,000	\$ 5,594,000	\$ 5,739,000
Miscellaneous	<u>544,000</u>	<u>556,000</u>	<u>570,000</u>
Total Other State Revenue	\$ 6,023,000	\$ 6,150,000	\$ 6,309,000
Investment Income	<u>\$ 19,812,000</u>	<u>\$ 20,505,000</u>	<u>\$ 21,243,000</u>
Total Highway Fund Revenue	<u><u>\$1,086,838,000</u></u>	<u><u>\$1,119,245,000</u></u>	<u><u>\$1,138,617,000</u></u>

2. Condition of the Highway Fund

Reversions of \$12.5 million from unused 1996-97 appropriations and reserve balances make up the total expected beginning credit balance for 1997-98. Revenue is expected to exceed the authorized amount by \$28.9 million for the year.

Table 9, Condition of the Highway Fund, reflects the credit balance and combines it with revenue and transfers to provide the amounts available for appropriation for the 1997-99 biennium.

N.C. State Budget, 1997-99: Summary of Recommendations
Transportation - Continued

Table 9
Condition of the Highway Fund, 1997-99

	1995-96 <u>Actual</u>	1996-97 <u>Estimated</u>	1997-98 <u>Recommended</u>	1998-99 <u>Recommended</u>
Beginning Credit Balance:				
Appropriation Reversions	\$ 23,367,063	\$ 13,417,179	\$ 12,500,000	\$ -
Overrealized Revenue	<u>16,632,116</u>	<u>26,314,401</u>	<u>28,909,000</u>	<u>-</u>
Sub-Total	\$ 39,999,179	\$ 39,731,580	\$ 41,409,000	\$ -
Appropriation Reserves	31,715,638	29,988,558	-	-
State Highway Revenue	<u>1,049,542,401</u>	<u>1,112,918,000</u>	<u>1,119,245,000</u>	<u>1,138,617,000</u>
Total Availability	\$ 1,121,257,218	\$ 1,182,638,138	\$ 1,160,654,000	\$ 1,138,617,000
Expended and Committed	1,051,537,080	1,141,229,138	1,160,654,000	1,125,792,584
Appropriation Reserves	<u>29,988,558</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Credit Balance	<u>\$ 39,731,580</u>	<u>\$ 41,409,000</u>	<u>\$ -</u>	<u>\$ 12,824,416</u>

3. Highway Fund Budget Changes

The continuation budget document contains requirements totaling \$1,082,397,705 and \$1,087,670,091 for the two years of the 1997-99 biennium. The remaining availability is recommended for expansion items.

Table 10 contains the recommendations for Highway Fund Appropriations for the 1997-99 biennium. Changes which are not included in the Continuation Budget Recommendation for operations are as follows:

Department of Transportation

Recommended Expansion:

Transportation Administration

1. Support for Year 2000 Conversion (MIS)

This request is for contract personnel to provide technical support for the Year 2000 Conversion. Without this funding most of the computer systems within the Department of Transportation will not operate after January 1, 2000. Examples of some systems that will not operate are Payroll, Accounts Receivable, BIDS, and Purchasing.

	<u>1997-98</u>	<u>1998-99</u>
	\$ 4,835,000	\$ 5,575,000

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N.C. State Budget, 1997-99: Summary of Recommendations
Transportation - Continued

It is estimated that Motor Fuel Taxes will total \$245.2 million in 1996-97. Motor Fuel Taxes are projected to reach \$253.4 million in 1997-98 and \$259.9 million in 1998-99, representing increases of 3.4% and 2.6% respectively. Highway Use Taxes are estimated to total \$372.4 million in 1996-97. In 1997-98, collections are projected to total \$387.1 million, an increase of 4%, and \$403.1 million in 1998-99, an increase of 4.4%. Title fees are estimated to total \$71.9 million in 1996-97, while they are projected to rise to \$73.3 million and \$74.7 million each year of the biennium. This represents an annual increase of 2% per year. Finally, investment income is projected to total \$27.6 million in 1996-97, \$28.4 million in 1997-98, and \$29.1 million in 1998-99.

Table 11
Highway Trust Fund Revenue, 1997-99

	<u>1996-97</u> <u>Estimated</u>	<u>1997-98</u> <u>Projected</u>	<u>1998-99</u> <u>Projected</u>
Anticipated Collections:			
Motor Fuel Tax Revenue	\$ 245,171,000	\$ 253,393,000	\$ 259,875,000
Highway Use Tax	372,389,000	387,053,000	403,075,000
Title Fees:			
Certificates of Title	71,896,000	73,334,000	74,654,000
Miscellaneous Title Fees	12,991,000	13,303,000	13,599,000
Treasurer's Investments	<u>27,550,000</u>	<u>28,377,000</u>	<u>29,086,000</u>
Subtotal	\$ 729,997,000	\$ 755,460,000	\$ 780,289,000
Amount Required to be Transferred to the General Fund	(170,000,000)	(170,000,000)	(170,000,000)
Amount Required to be Transferred from the Highway Fund	<u>12,100,000</u>	<u>32,300,000</u>	<u>38,000,000</u>
Balance Available	<u>\$ 572,097,000</u>	<u>\$ 617,760,000</u>	<u>\$ 648,289,000</u>

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N.C. State Budget, 1997-99: Summary of Recommendations
Transportation - Continued

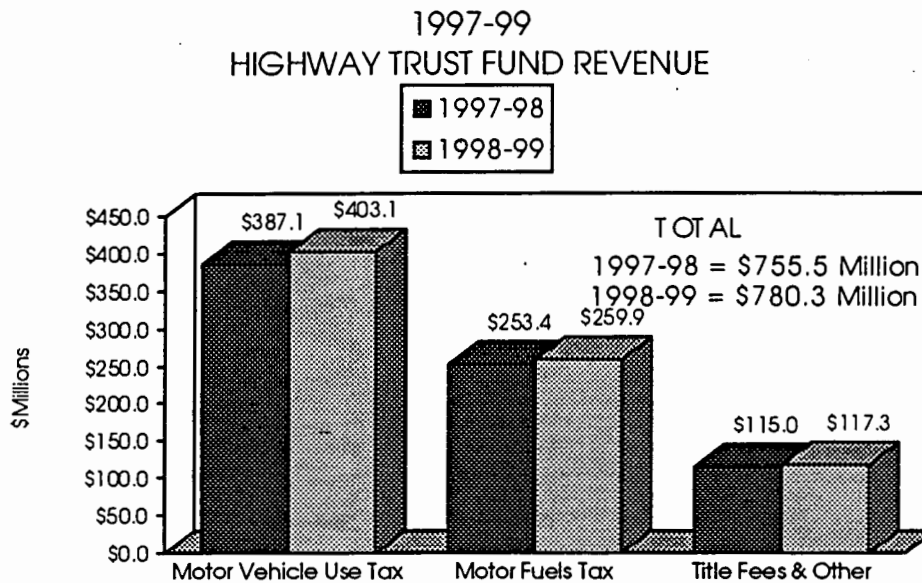


Table 12
Condition of the Highway Trust Fund, 1997-99

	1995-96 <u>Actual</u>	1996-97 <u>Estimated</u>	1997-98 <u>Recommended</u>	1998-99 <u>Recommended</u>
Beginning Credit Balance	\$ 84,192,042	\$ 33,698,465	\$ 12,979,602	\$ -
Highway Trust Fund Revenue	739,632,703	729,997,000	755,460,000	780,289,000
Transfer from Highway Fund	12,100,000	32,300,000	38,000,000	38,000,000
Cash Flow Funding	<u>15,025,000</u>	<u>(83,100,000)</u>	<u>(70,215,000)</u>	<u>(23,890,000)</u>
Net Availability	\$ 850,949,745	\$ 712,895,465	\$ 736,224,602	\$ 794,399,000
Expenditures and Commitments:				
Authorized Budget	\$ 718,034,238	\$ 749,317,398	\$ 793,460,000	\$ 818,289,000
Credit Balance and Cash Flow	<u>99,217,042</u>	<u>(49,401,535)</u>	<u>(57,235,398)</u>	<u>(23,890,000)</u>
Total	\$ 817,251,280	\$ 699,915,863	\$ 736,224,602	\$ 794,399,000
Ending Credit Balance	<u>\$ 33,698,465</u>	<u>\$ 12,979,602</u>	<u>\$ -</u>	<u>\$ -</u>

77. (d)
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HWY FUND	1995-96 Actual	1996-97 Certified	1996-97 Authorized	1997-98 Continuation	1998-99 Continuation
Administration (84210)	\$54,711,361	\$54,671,909	\$54,926,937	\$51,833,590	\$51,999,759
Operations (84220)	32,535,617	35,492,998	35,347,993	35,233,998	35,290,290
Construction And Maintenance (84230)					
Construction Program:					
State Primary System	\$594,549	\$0	\$0	\$0	\$0
State Secondary System	\$73,057,237	\$76,666,941	\$76,666,941	80,656,000	83,283,000
State Urban System	13,485,564	14,000,000	14,000,000	14,000,000	14,000,000
Discretionary Funds	8,467,820	9,000,000	9,000,000	6,000,000	6,000,000
Spot Safety Improvements	9,056,736	9,100,000	9,100,000	9,100,000	9,100,000
Access and Public Service Roads	1,954,333	2,000,000	2,000,000	2,000,000	2,000,000
State Match for Federal Aid-Planning and Research	1,880,954	2,959,649	2,959,649	2,959,649	2,959,649
State Match for Federal Aid	34,039,279	33,153,153	33,153,153	33,153,153	33,153,153
Total Construction Program	\$142,536,472	\$146,879,743	\$146,879,743	\$147,868,802	\$150,495,802
Maintenance Program:					
Primary System	\$109,070,105	\$109,627,113	\$109,635,113	\$109,635,113	\$109,635,113
Secondary System	196,713,711	187,381,273	187,394,152	187,394,152	187,394,152
Urban System	33,419,727	36,412,430	36,414,035	36,414,035	36,414,035
Contract Resurfacing	93,042,381	100,875,815	100,875,815	100,615,256	100,543,283
Total Maintenance Program	\$432,245,924	\$434,296,631	\$434,319,115	\$434,058,556	\$433,986,583
Ferry Operations	\$18,114,721	\$18,120,774	\$18,098,290	\$18,098,290	\$18,098,290
Capitla Improvements	9,579,198	\$1,958,126	\$1,958,126	\$0	\$0
State Aid to Municipalities - Powell Bill	74,019,712	\$76,666,941	\$76,666,941	80,656,000	83,283,000
State Aid to Railroads	659,307	800,000	800,000	800,000	800,000
State Aid for Public Transportation	14,700,790	16,046,921	16,046,921	16,046,921	16,046,921
Occupational Health and Safety	3,324,772	2,425,000	2,425,000	925,000	425,000
Total Construction and Maintenance	695,180,896	697,194,136	697,194,136	698,453,569	703,135,596
Governor's Highway Safety Program (84240)	325,595	309,486	309,486	311,609	312,080
Division of Motor Vehicles (84260)	81,708,316	83,956,634	83,846,611	83,205,836	83,106,568

	1995-96 Actual	1996-97 Certified	1996-97 Authorized	1997-98 Continuation	1998-99 Continuation
Reserves (84270)					
Other State Agencies:					
Agriculture	\$2,907,091	\$3,162,344	\$3,162,344	\$3,151,316	\$3,069,026
Revenue	3,768,628	2,270,054	2,270,054	2,329,577	2,331,760
State Treasurer-Sales Tax	11,130,000	11,853,450	11,853,450	12,600,000	13,400,000
Public Instruction-Driver Education	19,362,200	21,249,501	21,249,501	21,452,268	21,633,186
Crime Control and Public Safety-Highway Patrol	105,254,829	111,083,376	111,083,376	112,582,446	111,771,223
Environment, Health, and Natural Resources:					
LUST Trust Fund	5,014,164	6,162,602	6,162,602	6,921,107	7,298,214
Chemical Test	360,472	396,643	396,643	396,643	396,643
Global Transpark	750,000	750,000	750,000	750,000	750,000
Total-Other State Agencies	\$148,547,384	\$156,927,970	\$156,927,970	\$160,183,357	\$160,650,052
Reserves and Transfers:					
Legislative Salary Increase	\$0	\$15,827,652	\$15,827,652	\$14,975,746	\$14,975,746
Salary Adjustment Fund	0	0	0	200,000	200,000
Battery Dump Cleanup	6,146	0	0	0	0
PCB Site Cleanup	1,000,000	0	0	0	0
General Assembly, DMV Study	287,985	0	0	0	0
Highway Trust Fund	12,100,000	32,300,000	32,300,000	38,000,000	38,000,000
Rail Travel Enhancement	0	1,700,000	1,700,000	0	0
DMV Office Complex Planning	0	650,000	650,000	0	0
Computer Replacement	0	0	0	0	0
Collision Reports Reengineering	0	0	0	0	0
International Registration Plan Software	0	0	0	0	0
Criminal Justice Information Network	0	0	0	0	0
Total Reserves and Transfers	\$13,394,131	\$50,477,652	\$50,477,652	\$53,175,746	\$53,175,746
Total Reserves	\$161,941,515	\$207,405,622	\$207,405,622	\$213,359,103	\$213,825,798
Debt Service (84280)	\$25,133,780	\$4,978,215	\$4,978,215	\$0	\$0
Total Highway Fund Appropriation	\$1,051,537,080	\$1,084,009,000	\$1,084,009,000	\$1,082,397,705	\$1,087,670,091

	1995-96 Actual	1996-97 Certified	1996-97 Authorized	1996-97 Continuation	1998-99 Continuation
HWY TRUST FUND					
Intrastate System Improvements	\$202,450,579	\$327,951,827	\$327,951,827	\$352,109,370	\$366,483,841
Secondary Road Paving	67,370,306	65,567,796	65,567,796	\$68,373,343	70,447,275
Urban Loop Construction	18,816,368	132,610,061	132,610,061	142,378,365	148,190,802
State Aid to Municipalities - Powell Bill	30,899,919	34,409,796	34,409,796	36,944,486	38,452,703
Program Administration	15,923,483	22,124,520	22,124,520	23,654,436	24,714,379
Capital Outlay - Century Center Purchase	11,336,432	0	0	0	0
Transfer to General Fund	170,000,000	170,000,000	170,000,000	170,000,000	170,000,000
Transfer to Highway Fund	202,158,003	0	0	0	0
Total Highway Trust Fund Appropriation	\$718,955,090	\$752,664,000	\$752,664,000	\$793,460,000	\$818,289,000

(2)

Program Budget Code

Line Item Budget Code	Construct Major Arterial Highways 8110	Construct Secondary Roads 8120	Construct Special Projects 8130	Maintain Major Arterial Highways 8210	Maintain Secondary Roads 8220	Public Transit 8300	Railroads 8400	Aviation 8500	Ferries 8600	Regulate Motor Vehicle Operators 8710	Regulate Motor Vehicles 8720	Coordinate Highway Safety 8730	Adminstration 8998	Reserves 8999	1997-98 Continuation
Transportation Administration (84210)	0	0	0	0	0	370,539	410,503	1,794,616	1,085,567	0	0	0	48,172,365	0	\$51,833,590
Transportation Operations (84220)	0	0	0	0	0	0	0	0	0	0	0	0	35,233,998	0	35,233,998
Construction And Maintenance (84230)															
Construction Program:															
State Primary System	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0
State Secondary System	0	80,656,000	0	0	0	0	0	0	0	0	0	0	0	0	80,656,000
State Urban System	14,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	14,000,000
Discretionary Funds	0	0	6,000,000	0	0	0	0	0	0	0	0	0	0	0	6,000,000
Spot Safety Improvements	0	0	9,100,000	0	0	0	0	0	0	0	0	0	0	0	9,100,000
Access and Public Service Roads	0	0	2,000,000	0	0	0	0	0	0	0	0	0	0	0	2,000,000
State Match for Federal Aid - Planning and Research	2,959,649	0	0	0	0	0	0	0	0	0	0	0	0	0	2,959,649
State Match for Federal Aid	33,153,153	0	0	0	0	0	0	0	0	0	0	0	0	0	33,153,153
Total Construction Program	\$50,112,802	\$80,656,000	\$17,100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$147,868,802
Maintenance Program:															
Primary System	0	0	0	109,635,113	0	0	0	0	0	0	0	0	0	0	\$109,635,113
Secondary System	0	0	0	0	187,394,152	0	0	0	0	0	0	0	0	0	187,394,152
Urban System	0	0	0	36,414,035	0	0	0	0	0	0	0	0	0	0	36,414,035
Contract Resurfacing	0	0	0	100,615,256	0	0	0	0	0	0	0	0	0	0	100,615,256
Total Maintenance Program	\$0	\$0	\$0	\$246,664,404	\$187,394,152	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$434,058,556
Ferry Operations	0	0	0	0	0	0	0	0	18,098,290	0	0	0	0	0	\$18,098,290
Capitla Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0
State Aid to Municipalities - Powell Bill	0	0	0	0	80,656,000	0	0	0	0	0	0	0	0	0	80,656,000
State Aid to Railroads	0	0	0	0	0	0	800,000	0	0	0	0	0	0	0	800,000
State Aid for Public Transportation	0	0	0	0	0	16,046,921	0	0	0	0	0	0	0	0	16,046,921
Occupational Health and Safety	0	0	0	0	0	0	0	0	0	0	0	0	0	0	925,000
Total Construction and Maintenan	50,112,802	80,656,000	17,100,000	246,664,404	268,050,152	16,046,921	800,000	0	18,098,290	0	0	0	0	0	698,453,569
Governor's Highway Safety Program (84240)	0	0	0	0	0	0	0	0	0	0	0	311,609	0	0	311,609
Division of Motor Vehicles (84260)	0	0	0	0	0	0	0	0	0	28,916,364	54,289,472	0	0	0	83,205,836
Reserves (84270)	0	0	0	0	0	0	0	0	0	0	0	0	0	213,359,103	213,359,103
Total Highway Fund Appropriation	\$50,112,802	\$80,656,000	\$17,100,000	\$246,664,404	\$268,050,152	\$16,417,460	\$1,210,503	\$1,794,616	\$19,183,857	\$28,916,364	\$54,289,472	\$311,609	\$83,406,363	\$213,359,103	\$1,082,397,705

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Minutes

February 27, 1997

8:00A.M,

Room 1228 Legislative Building

The Joint Appropriations Subcommittee on Transportation met at 8:00 A.M., February 27, 1997 in room 1228 of the Legislative Building. All five Senate committee members were present. The following House committee members attended:

Rep. Joanne Bowie	Rep. Jerry Dockham
Rep. Dan Blue	Rep. Jim Gulley
Rep. Thomas Hardaway	Rep. Bill Hiatt
Rep. Drew Saunders	Rep. Ronnie Sutton

Senator Luther Jordan chaired the meeting. After Senator Jordan called the meeting to order, the meeting was turned over to staff to review the continuation budget.

Mr. Knapp started on page A11, vol. 6 of the budget. Wayne Stallings of DOT commented that workers' compensation decreased due to a safety program DOT had introduced. In response to a question by Sen. Rucho, Mr. Stallings said information systems technology is an ongoing need. He anticipates that further new systems will need to be developed but funding will be increased in the expansion budget rather than the continuation budget.

Sen. Albertson asked about the cost of hurricane Fran clean up. Mr. Stallings said it should cost \$100 million to clean up after Fran and the ice storm. DOT is trying to recover \$20 million from FEMA. The state will end up paying 25 to 30% of the costs.

Page A 17, the Beautification Program budget was cut due to safety vests and garbage bags are purchased every other year. Caroline Belgiam, director of the beautification program, DOT, is checking to determine if vests, gloves and bags should be cut. She explained that funding comes from dues, advertising and promotions. Money will be spent on education. Rep. Bowie asked about use of prisoners. Ms. Belgiam stated that prisoners are being used but they do not spend all of their time picking up litter. Rep. Bowie thinks we need to use prisoners more for litter pick up because the roads look bad now. She would like the numbers of prisoners that are used. Staff attorney Levenbrook suggested a contract between the Department of Corrections and DOT for that purpose. Rep. Sutton would like cost comparisons. Rep. Bowie asked if maintenance is provided by anyone in the private sector. Ms. Belgiam said no. Rep. Bowie said she would like other than maintenance people picking up litter which is removed to infrequently. Sen. Carpenter asked about mowing. Ms. Belgiam said mowing is provided by maintenance.

While reviewing page A-19, Sen. Albertson asked about vandalism. Mr. Stallings said that 90% of the shops that experienced vandalism were investigated. Rep. Bowie wondered what had been lost to employee theft. Mr. Stallings said the responsible parties

would be asked to advise the committee next week. In response to a question by Rep. McMahan, Mr. Stallings said salary increases were not paid until September 1996.

Mr. Stallings continued. There are two legal budget entities, one funded directly and one funded by the project. He said reserves will revert this year. Rep. Bowie feels that the committee needs to be cautious in this area because it seems the Governor has used a lot of reserves.

Mr. Knapp continued to review the budget document, discussing any line that showed an increase or decrease. Page A23-25, Research and Policy Analysis - they also coordinate with the Dept. of Revenue on fuel tax evasion. A25-27, The Secretary's office - there is less longevity due to a higher turnover. Senator Rucho asked why there was a budget line for rental and structures. Mr. Stallings said that they are needed on special occasions.

Page A30-31, management information systems, last year more money was put in for systems installation in DMV for registration, etc. Money was put in on a one time basis. A request has been made in the expansion budget for computer personnel for two more years but less than the previous year. Page A33, purchasing, the increase is due to salary costs. The telephone increase is due to data lines. Page a-35, General Services was consolidated to a single staff. Page A 38, the increase is for purchasing motor vehicles.

Information was distributed about position vacancies. Two positions have been vacant for over one year. Rep. Bowie requested justification for not eliminating the positions. General Services representative Cameron Lee said the positions may need to be reclassified. There was further discussion re positions vs. staff. Senator Jordan flagged the issue for later discussion. Karl Knapp in response to Rep. Dockham's question said that these were the only long term vacancies in administration. He will request other vacancies in DOT. Rep. McMahan asked if DOT managed facilities throughout the state from Raleigh. The answer was DMV has maintenance people throughout the state assigned from Raleigh, it is different in state highways administration.

A39-40, the audit function has an increase in salaries. Senator Rucho asked the criteria for Trust Fund reimbursing personnel. The response was that personnel provides trust fund work, recommended by the department and approved by the State Budget Office. Senator Rucho wanted to know if the committee had any authority in this. Mr. Levenbrook said that at the beginning, 1990, the Trust Fund was developed to lay out positions to engineer, build, and maintain Trust Fund projects. When the projects are finished, in approximately 13 years, the positions will be eliminated. In response to a question by Rep. McMahan, the audits are done internally, which is a federal mandate, as well as the state auditor. Rep. Bowie was told yes, the employees are still in place in the 7th year. Rep. Hiatt asked the target date of completion of the Trust Fund, the response from Dr. Goode was the year 2012. Any delays have been due to a lack of funding. We are 25% into projects. Completion figures will be given to the committee at next meeting. Rep. McMahan said that the committee needs to understand how transfers take place and that they are being used properly and per legislative guidelines.

A41-45- Mr. Stallings said the reduction in rent land and structures was due to the purchase of the Century Building. Rep. Dockham asked Mr. Stallings to tell committee about the purchase of Century Center. Mr. Stallings said the purchase was made with \$11 million outright with money from the Trust Fund.

Staff moved on through the budget, to A56, ferry division increases due to inflation. Staff will bring information regarding this on Tuesday, and the committee will vote on Administration.

Sen. Carpenter would like more information on how Trust Fund money is used.

Rep. Bowie wanted to know if anything was different. Staff responded no.

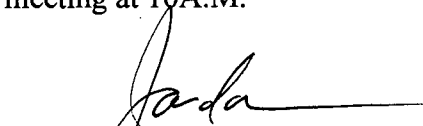
Sen. Jordan asked the number of salaries paid by the trust fund/

Sen. Rucho asked for more information about the amount of trust fund going into construction.

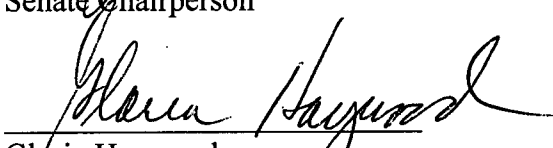
Rep. Hardaway asked what would be the voting procedure. Rep. Bowie said that the vote will be to accept or reject budget as explained. If contention exists, separate committees will vote. Mr. Levenbrook reminded Rep. Hardaway that there are still separate committees, and they will meet separately. Rep. Sutton asked if the committee was voting on flagged items and moving on, the answer was yes. Rep. Hiatt wondered if something was already voted on, could it be revisited. Mr. Levenbrook said that would be up to the individual committee chair.

Sen. Reeves wants clarification about the relationship between Product Management and Internal Audit. Mr. Stallings said that each is independent of the other.

Rep. McMahan wants more information on General Services Consolidation and he wants to know was outsourcing considered. Sen. Jordan stated that the committee was out of time and that issue could be taken up on Tuesday. Sen. Jordan then adjourned the meeting at 10A.M.



Senator Luther H. Jordan, Jr.
Senate Chairperson



Gloria Haywood
Senate Committee Clerk

JOINT APPROPRIATIONS
TRANSPORTATION SUBCOMMITTEE

February 27, 1997

Agenda

1. Continuation Budget Review

DOT Administration
Budget Code (84210)

Karl Knapp, Staff
Tony Goldman, Staff

LONG-TERM POSITION VACANCIES IN GENERAL SERVICES (0240)

Position # 4220-0502-0104-003

Housekeeping Supervisor II

Salary \$22,117

Vacant since: 12/31/95

Position Duties: Previous employee was actually performing facility maintenance duties and retired before the position could be reclassified.

DOT Response: DOT indicates that this position has remained vacant because contract maintenance services have been used to perform its duties. DOT anticipated reclassifying the position as a Maintenance Mechanic for the Transportation and Thompson buildings and upon completion of the General Services merger.

Position # 4220-0502-0202-027

Printing Equipment Operator II

Salary \$17,363 (Funded by Trust Fund transfer)

Vacant since: 5/12/95

Position Duties: Operating reproduction equipment.

DOT Response: DOT indicates that this position has remained vacant because DOT anticipated reclassifying the position upon completion of the General Services merger. DOT plans to reclassify the position to a Maintenance Mechanic and transfer it to the western part of the State.

VISITOR REGISTRATION SHEET

APPROPRIATIONS-DEPARTMENT OF TRANSPORTATION

Committee

2-27-97

Date

VISITORS: Please sign below and return to Committee Clerk

NAME	FIRM or AGENCY and ADDRESS
Mac Berley	N.C. Aggregates Assoc.
Cawlin Ditch	DOT
Berky Keith	DOT
Ruth Sappie	DOT
William Ruffel	DOT
Merciale Benton	DOT
Wayne Stallings	DOT
V. W. McBride	NEA
Grayson Kelley	Atty Gen - DOT
Ogle Michael	SCENIC NC
Rob Nelson	OSBM
Mike Leonard	Se Arc
Chris Barber	CAPI
Tred Aikens	DOT
Cameron Lee	DOT
Dan DeVane	DOT
PAUL ROBERTS	DOT MIS
Milton Alford	OSBM
Samuel T. Crow	NCDOT - Public Transit
John Holman	CENC / Surra illus / NCDOT

Today's Pages are:

Date: 2/27/97

Name: JENNIE LEVENBROOK

Home: Raleigh, NC

Sponsored By: Sen. Marc Basnight

Name: David Nida

Home: Warren County

Sponsored By: Mr. Speaker of the House

Name: _____

Home: _____

Sponsored By: _____

**THE JOINT LEGISLATIVE
APPROPRIATIONS
SUB-TRANSPORTATION COMMITTEE**

**MARCH 4, 1997
8:00 A.M.
ROOM 1327**

The House Committee on Appropriations/Sub-Transportation Committee met in Room 1327 at 8:00 A.M. on Tuesday, March 4, 1997. **Co-Chairman W. Edwin McMahan** called the meeting to order. Visitor's Sheet attached.

Members Present:

Rep. Joanne Bowie, Co-Chair
Rep. Ed McMahan, Co-Chair
Rep. Bobby Barbee
Rep. Dan Blue
Rep. Thomas Hardaway

Rep. Bill Hiatt
Rep. Jim Gulley
Rep. Mary McAllister
Rep. Drew Saunders
Rep. Ronnie Sutton

Four Senators

Chairman McMahan introduced **Mr. Karl Knapp, Staff to the Committee**, to continue the Continuation Budget Review. Mr. Knapp reminded the Committee at the previous meeting several items were flagged for further consideration for reductions from the Continuation Budget. He asked the Chair if it was the desire of the Committee to vote on these items as they were reviewed. After some discussion, the Committee decided not to vote on the specific items at this time.

Mr. Knapp referred the Committee to the first item on the Agenda, the Board of Transportation (*See Attachment I, Budget Code 84210*), and recommended a reduction of \$26,000 in this budget. After Discussion, the Committee concurred with this reduction.

Mr. Knapp then discussed the beautification program and pointed out that the funds from Dues, Subscriptions, and Promotions (*See Budget Book, Volume 6, Pg. 17, Line Item 2352*) have not been fully utilized, and the planned expenditures for this year will also leave a surplus. Mr. Knapp then introduced **Mr. Don Goins, Division of Highways**, to speak to the Committee on the subject of inmates for highway clean up (*See Budget Book, Volume 6, Pg. 16, Line Item 0140*). Mr. Goins explained the program and indicated that the inmates used are from across the State (*see Attachment II and IIA*).

With reference to Management Assessment (0160), Mr. Knapp reminded the Committee of a previous question related to the percentage of theft, vandalism or internal loss in this

division. Mr. Knapp referred the Committee to the *Chart in the Budget Book, Volume 6, Page 19*, and said that there were approximately 220 incidents at a cost of about \$214,000.

Mr. Knapp next called the Committee's attention to the Fiscal Section (0210) (*See Budget Book, Volume 6, Page 29, Lines 2237-2240*). With reference to the Committee's question on whether reductions could be made in this area, Mr. Knapp referred to the response from the Department shown in the referenced attachment entitled "*Comments Concerning the DOT Travel Line Items (see Attachment I, Page 11)*". Mr. Knapp introduced **Mr. Wayne Stallings, Department Controller**, to answer the Committee's questions regarding the Department's authority to transfer funds. Mr. Stallings explained that the Department only has authority to transfer non salary items within the fiscal section. In order for the Department to transfer to another Department, approval would have to be given by the State Budget Office.

Mr. Knapp introduced **Mr. Danny DeVane, Deputy Secretary**, to address the Committee on the consolidation of two long term vacancies in the General Services area, a Housekeeping position and a Printing Operator position, and the reclassification of these positions to Maintenance Mechanic positions. Mr. DeVane informed the Committee that the DOT and DMV consolidation of General Services functions has been completed as promised. (*See Attachment III*)

Mr. Knapp referred to the Internal Audit (0250), and advised the Committee that because very little has been expended in the area of educational expenses in the last few years, that this might be an area some reduction could be made. He did point out to the Committee that any reductions in this area would be partially offset by a loss of Trust Fund receipts.

After discussion, the Committee decided to reduce this item from \$4,000 back to \$1,000 (*See Budget Book, Volume 6, Page 40, Line 2233*).

Mr. Knapp advised the Committee that another item for reduction may be the professional fees under the Director of Administration. He said any reduction to this line item would not result in an appropriations reduction because the Trust Fund receipts would also be offset. The recommendation for the reduction was for \$50,000. **Ms. Mercidee Benton, Director, Administration**, was recognized to comment on this reduction. Ms. Bailey said she thought this amount would be appropriate (*see Budget Book, Volume 6, Page 44, Line 2310*). Mr. Knapp also recommended a reduction on Budget commuting fees (*Line Item 0994*) also under the Director of Administration. **Mr. Wayne Stallings, Department Controller** was recognized to explain the commuting fees. After discussion, the Committee agreed on \$185,000 for this line item.

Mr. Knapp told the Committee that there were two items in the Aeronautics Budget where the line items would stay level, but the amount is above what has been expended in prior years. These two line items were fuel charges and equipment rental. **Mr. Will**

Plentl, Director of Aviation, was recognized to speak on the subject to the Committee (*See Attachment IV*). Mr. Plentl explained to the Committee that the Department has four aircraft of which three are used for photography purposes and one is a passenger aircraft. Discussion followed. Senator Rucho asked that a summary of how the aircraft is used be prepared and presented to the Committee.

Karl Knapp presented information on the Ferry Division with reference to Budget direct charges (*See Budget Book, Volume 6, Pg. 54-56, Line Item 0910*). Mr. Knapp explained to the Committee that these receipts are used to reimburse out of state travel and subsistence charges associated with the construction of a new ferry vessel, as we do not have the capacity to build ferries in North Carolina (*See Attachment I, Pg. 13 - Memo*). **Larry Goode, State Highway Administrator**, was recognized to explain how the old ferries are disposed of. Mr. Goode explained that they are sold as surplus property. Mr. Knapp informed the Committee that for the first year of the biennium \$10,000 could be budgeted as a receipt in this area.

Chairman McMahan suggested the Committee review the above mentioned reductions suggested. After discussion by the Committee, Representative Bowie moved for a reduction in the Fiscal Section of \$18,000, which would include \$10,000 from the Highway Appropriation Fund and \$8,000 from the Trust Fund.. Motion passed.

Representative Hiatt referred the Committee's attention to the two positions in General Services that were to be eliminated. He moved that the two positions be left in. Motion passed.

Karl Knapp reviewed the additional cuts suggested for the Committee. They were as follows:

- Board of Transportation - Reduce budget by \$26,000
- Beautification - No reduction
- Management Assessment - No reduction
- Fiscal Services - Reduce \$18,000
- General Services - No reduction
- Internal Audit - Reduce educational expenses \$3000
- Director of Administration - Reduce professional fees \$50,000
Increase commuting fees \$185,000
- Ferry Division - Increase receipts from work orders \$10,000

Senator Rucho moved that we incorporate these changes in the Administration section of the Department of Transportation Budget. Motion passed.

Tony Goldman, Staff to the Committee, was recognized to address the Committee on Transportation Operations (*See Budget Book, Volume 6, pg. 57-62*). Mr. Goldman explained to the Committee the general purpose of this Budget Code is the management

of all highway planning, design, construction, and maintenance activities. These are appropriated positions. Mr. Goldman referred the Committee's attention to page 60 in the Budget Book and recommended the following line items as possible areas for reduction:

- 53 2236-2240 - Employee Travel Expenses
- 53 2341 - Repairs & Service Buildings
- 53 2342 - Repairs & Service Equipment
- 53 2347 - Repairs & Service DP Equipment

Mr. Goldman then turned the Committee's attention to the State Highway Administrator Budget Code 1020. He pointed out the purpose of this program is to carry out the Highway Improvement Program and the Highway Trust Fund as established by the Board of Transportation (*See Budget Book, Volume 6, Page 62-64*). Mr. Goldman pointed out *Line Item 53 2233, Educational Expenses*, as an area the Committee may wish to consider for adjustment. **Mr. Larry Goode, State Highway Administrator**, was recognized to explain this line item. Mr. Goode said this item applies to several thousand employees, including pilots, attorneys, and training for highway department personnel. He pointed out that instructors are often brought into the Department of Transportation which saves on cost. Discussion followed and the Committee decided to flag this item for future consideration.

Mr. Goldman referred the Committee to Budget Code 1030, Chief Engineer of Operations (*See Budget Book, Volume 6, Page 64-66*). He pointed out to the Committee that the State Highway Chief Engineer's office is responsible for all field operations pertaining to construction and maintenance of highways. Mr. Goldman turned the Committee's attention to *Line Item 53 2233, Educational Expenses*, and *Line Item 53 2236-2240, Travel Expenses*, and suggested these might be areas for reductions.

The next item discussed by Mr. Goldman was Budget Code 1040, Programs and Policy. This program includes the annual development of the Transportation Improvement Program (TIP), the establishment of schedules, monitoring of projects progress and funding, and oversight of project development (*See Budget Book, Volume 6, Pages 67-69*). Mr. Goldman turned the Committee's attention to *Line Item 2322, Telephone and Telegraph*, as an area to make possible reductions. He also referenced *Line Item 53 2413, Software - Data Processing* as another area to look at for reductions. Discussion followed. The Committee asked how we could keep the existing costs of construction down. **Ms. Christie Barbee, Executive Director, Carolina Asphalt Pavement Association, Inc.**, was recognized to speak on this issue. Ms. Barbee said that she felt the amount of competition and demand would keep prices down.

Mr. Goldman then went on to discuss Budget Code 1060, Secondary Roads Section. The purpose of the Secondary Roads Section is to provide safe and effective secondary roads

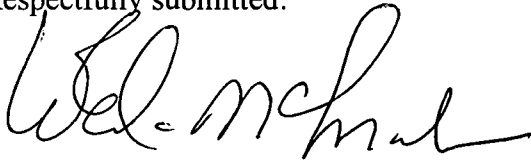
Joint Appropriations/sub-Transportation Committee
March 4, 1997

for the general public of North Carolina (*See Budget Book, Volume 6, Pages 69-71*). No recommendations made for reductions on this item.

Next Mr. Goldman discussed Budget Code 1080, Assistant Highway Administrator - Preconstruction. The purpose of this program is to provide the citizens of North Carolina comprehensive long-term and short-term highway planning and environmental documentation (*See Budget Book, Volume 6, Pages 71-73*). No recommendations made for reductions on this item.

Meeting adjourned at 9:50 A.M.

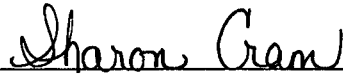
Respectfully submitted:



Representative W. Edwin McMahan
Co-Chair



Senator Luther Jordan, Jr.
Co-Chair



Sharon Cram
Committee Clerk

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Sub-Committee Transportation

Name of Committee

3/4/97
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

Ans to Barbee

CAP

Curt Williams

Office of the Governor

Tany Smle

NCBOT

ROBERT GLASER

NC Auto Dealers Assn.

John Jordan

Findon, Price, Wall, Gray & Jones

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Sub-Committee Transportation

3/4/97

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

Milton G. Alfal	OSBM
Wayne Stallings	NC DOT
Mercilee Benton	NC DOT
Jeannie Bailey	NC DOT
William Rusk	NC DOT
Clell Jimm	DOT
KEITH WILDER	DOT
Cameron Lee	DOT
Candice Belch	DOT
Daniel A. Malone	DOT
L. Ode Mithel	SCENIC NC
L. Frank Pace	DOT
Don Gorins	DOT
Mitch Leonard	SEANC

JOINT APPROPRIATIONS

TRANSPORTATION SUBCOMMITTEE

March 4, 1997

Agenda

1. Continuation Budget Review

DOT Administration
Budget Code (84210)

Karl Knapp, Staff

Issues Remaining:

Board of Transportation (0110)
Reduce budget by \$26,000

Beautification Programs (0140)
Reduce promotional budget (2352) by \$40,000

Issues regarding use of inmates for highway clean up

Management Assessment (0160)
Performance Measures

Fiscal Section (0210)
Reduce subsistence and transportation

General Services (0240)
Report on consolidation
Eliminate two vacant positions

Internal Audit (0250)
Reduce educational expenses (2233)

Director of Administration (0290)
Reduce professional fees (2310)
Budget commuting fees (0994)

Aeronautics (0350)
Reduce fuel charges (2451)
Reduce equipment rental (2522)

Ferry Division (0660)
Budget direct charges (0910)

2. DOT Operations
Budget Code (84220)

Tony Goldman, Staff

I

**Transportation Administration
Budget Code (84210)**

Remaining Issues

Board of Transportation (0110)

-The Board of Transportation has consistently spent less than its authorized budget as shown below:

1995-96	\$126,352	\$70,424	\$55,928
1994-95	\$126,352	\$95,577	\$30,775
1993-94	\$126,352	\$86,756	\$39,596
1992-93	\$126,352	\$60,093	\$66,259

Board expenditures for 1996-97 through December 31, 1996 were \$28,624. DOT acknowledges that this budget could be reduced by \$26,000 (\$16,000 -per diem, \$10,000 board expenses).

Beautification Programs (0140)

Dues, Subscriptions, and Promotions (2352)

For the 1995-97 biennium, the General Assembly reduced the Beautification Program's budget for Dues, Subscriptions, and Promotions (2352) for the first year of the biennium by \$40,000. This reduction was made because it was assumed that safety vests and litter bags for Adopt-A-Highway volunteers could be purchased every other year. DOT has provided details of the expenses from this line item for the last two years and the planned expenditures for the current year and first year of the continuation budget in the attached charts. These charts are summarized in an additional chart. Prior year expenditures indicate that funds from this line item have not been fully utilized, and the planned expenditures for this year will also leave a surplus.

Use of inmates for highway clean-up

The Committee requested that DOT indicate how inmates were being used for highway clean-up and other maintenance activities. The attached charts show 1) the total hours worked by and funds expended on inmate labor during 1995-96, and 2) the amount of inmate time spent on a variety of maintenance activities. Highway clean-up represents a small portion of inmate work activities.

Management Assessment (0160)

The Committee questioned whether the performance measures for the Management Assessment area indicated that 90 percent of all DOT facilities were subject to theft, vandalism, or internal loss, and asked to know the extend of such problems at DOT facilities. DOT indicates that the 90 percent figure represents the portion of DOT facilities that are inspected each year to determine the potential for loss and vandalism. The attached pages show the security duties of the Management Assessment program and indicate the number of theft, vandalism, and loss incidents at DOT facilities during 1996.

Fiscal Section (0210)

During 1995-96, the Fiscal Section spent \$26,290 on employee travel and subsistence (2236-2240), compared to a recommended continuation budget of \$58,667. The Committee asked if the budget for these items could be reduced. DOT provided the attached response indicating that surplus amounts in these item had been previously used to purchase computer equipment, and that any cut in travel and subsistence should be matched by an increase in funds for data processing and software.

General Services (0240)

The General Services Division had two long-term positions vacancies that were considered for elimination by the Committee. DOT indicated that it proposed to reclassify and reassign these positions to facility maintenance duties as part of its consolidation of DOT and DMV general services functions. The attached page shows the function in DOT and DMV that were consolidated. DOT will make a presentation on the consolidation and the vacant positions.

Internal Audit (0250)

None of the \$4,000 budgeted for educational expenses (2233) were spent during 1995-96. Little or no expenditures have been made from this line item in recent years. DOT indicates that this line item is used only for tuition and materials related to degree based coursework. Fees for training programs are paid for out of the line for other employee travel expenses (2240). Expenditures for this line item in 1995-96 were above the 1997-98 continuation level, funds having been transferred from other travel object codes. If funding is available for non-degree training through travel funds, the educational expense line could be reduced.

Director of Administration (0290)

Professional fees (2310)

Expenditures for 1995-96 were \$345,170, compared to a 1997-98 continuation recommendation of \$450,000. Prior year expenditures were also below the \$450,000 amount. These fees are paid primarily for security at the Century Center complex and to reimburse the Department of Environment, Health, and Natural Resources and the Department of Cultural Resources for assistance provided in preparing DOT environmental permit applications. Funds are not expected to greatly exceed the current expenditure level and a reduction of \$50,000 could be implemented. These fees are entirely funded by the Trust Fund reimbursement, so there would be no net effect on Highway Fund appropriations requirements.

Receipts from commuting fees (0994)

DOT employees on 24-hour call who are provided with a vehicle must reimburse DOT for the cost of using that vehicle to commute to work. No amount is budgeted in the receipts line for these expenses despite the fact that they are received each year. Fees received have been above \$185,000 for each of the last four years. DOT indicates that \$185,000 of receipts could be budgeted for this item.

Aeronautics (0350)

The 1995-96 actual expenditures for fuel charges (2451) equipment rental (2522) were above the 1997-98 continuation budget level. Fuel funds are paid to fuel vendors at the airports where aircraft refuel. Equipment rental payments are made to the DOT equipment fund for use of DOT aircraft. Payments in both categories have been below the 1997-98 budgeted level for several years. These costs vary from year to year depending upon fuel prices and the amount of time DOT aircraft are available for use.

Ferry Division (0660)

The Ferry Division regularly makes direct charges to work orders and shows them as receipts (0910), but no receipts are budgeted for this item. Direct charges are made to work orders when Ferry Division employees travel to oversee the construction of new ferries. DOT indicates that ferry construction during 1997-98 should result in direct charges of \$10,000 and that receipts in that amount could be budgeted for that year.

Highway Beautification Program
Object Code 2352

	<u>Actual</u> <u>1994-95</u>	<u>Actual</u> <u>1995-96</u>	<u>Planned</u> <u>1996-97</u>	<u>Planned</u> <u>1997-98</u>
Volunteer Equipment (ie: safety vests)	\$31,182	\$20,239	\$9,000	\$11,200
Highway Beautification Council Expenses	\$0	...	\$2,500	\$10,000
Television Programming	...	...	\$18,000	\$18,000
Newspaper Ads	...	...	\$14,000	\$28,000
Courses for public school personnel	...	...	...	...
Videos for schools	...	...	\$11,800	\$23,600
Litter Hotline	...	...	\$10,000	...
Road Signs	\$18,318	...	...	...
Other	<u>\$4,717</u>	<u>\$5,089</u>	<u>\$1,221</u>	<u>\$1,221</u>
Total	\$54,217	\$25,328	\$66,521	\$92,021
Authorized Budget	\$79,937	\$47,000	\$91,500	\$91,500

**NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
OFFICE OF BEAUTIFICATION PROGRAMS**

**Anticipated Charges To Account 352
1997-98 BUDGET**

<u>Item</u>	<u>Number/Cost</u>	<u>Amount</u> (Rounded)
Plaques (5-year awards)	7 @ \$18.66 ea	\$131
Magnets w/logo	5,000 @ \$0.193 ea	\$965
Manual	1 @ \$39.95 + \$6.29 postage	\$46
Subscription, Communication Briefings	1 Year @ \$79	\$79
Orange Safety Vests for "The Great Trash Bash"	20,000 @ \$.46 each	\$9,200
Pick up sticks	\$5 each	\$2,000
Governors Highway Beautification Council Expenses *	4 meetings	\$10,000
State Telecommunications	2X 1 hour program on litter	\$18,000
Public Service Annoucement (radio)	30 second ad	?
Litter Awareness Announcements (newspaper)	4 ads statewide	\$28,000
Educational lessons	2500 principals/ superintendents	?
Educational videos (different one each year.)	118 school districts @ \$200	\$23,600
TOTAL		\$92,021

* Since there has never been a budget for the Council the expenses have always unofficially come out of this line.

**NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
OFFICE OF BEAUTIFICATION PROGRAMS**

**CHARGES TO ACCOUNT 352
1996-97 BUDGET**

<u>Item</u>	<u>Number/Cost</u>	<u>Amount</u> (Rounded)
Plaques (5-year awards)	7 @ \$18.66 ea	131
Magnets w/logo	5,000 @ \$0.193 ea	965
Manual	1 @ \$39.95 + \$6.29 postage	46
Subscription, Communication Briefings	1 Year @ \$79	79
Sub-Total		\$1,221
Anticipated 1996-97 Expenses to be paid from budget account #352		
Orange Safety Vests for "The Great Trash Bash"	100 cases (120 vests per case) @ \$60 per case	\$ 6,000
Pick-up Sticks - (we are currently out of pick-up sticks)	50 Doz @ \$5 each	3,000
Governors Highway Beautification Council Expenses *	1 (of 4) meeting	\$ 2,500
State Telecommunications	1 hour program on litter	\$ 18,000
Public Service Announcement (radio)	30 second ad	\$?
Great Trash Bash Announcements (newspaper)	1 Sunday ad statewide	\$ 14,000
Hotline-volunteers dial-in litter cleanings (upgrade) **	One time computer program upgrade	\$ 10,000
Educational lessons	2500 principals/ superintendents	\$?
Educational videos	118 school districts @ \$100	\$ 11,800
Subtotal		\$ 65,300
TOTAL		\$ 66,521

* Since there has never been a budget for the Council the expenses have always unofficially come out of this line.

** Since this is an infrequent telephone expense, it also comes in this line item.

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
OFFICE OF BEAUTIFICATION PROGRAMS

CHARGES TO ACCOUNT 352
1995-96 BUDGET

<u>Item</u>	<u>Number/Cost</u>	<u>Amount</u> (Rounded)
Orange Safety Vests	20,000 @ \$0.46 ea	\$ 9,200
Recycling Bags	75 cases @\$32.18 per case	2,414
Pick-up Sticks	800 ea @ \$5 ea	4,000
Car Litter Bags	100,000 @ \$46.25 per thousand	4,625
Plaques (5-Year Awards)	103 @ \$18.66 ea + 7 mailing boxes @ \$0.55 ea	1,925
Bumper Stickers w/logo	6,500 @ \$0.15 ea	975
Pencils w/logo	5,000 @ \$0.19 ea	950
Balloons w/logo	10,000 @ \$0.99 per thousand	990
Keep NC Clean and Green Poster w/logo	1 @ \$213	213
Wildflower Posters	2 @ \$18 ea	36
Total		\$25,328

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
OFFICE OF BEAUTIFICATION PROGRAMS

CHARGES TO ACCOUNT 352
1994-95 BUDGET

<u>Item</u>	<u>Number/Cost</u>	<u>Amount</u> (Rounded)
Orange Safety Vests	25,000 @ \$0.50 ea	\$ 12,500
Pick-up Sticks	100 Doz @ \$61.50 a dozen	6,150
Car Litter Bags (w/logo)	200,000 @ \$45 a thousand	9,000
Plaques (5-year awards)	142 @ \$16.75 to \$27.99	2,637
Recycling bags	92 cases @ \$32.02 ea	3,037
Magnets w/logo	5,500 @ \$0.16 ea	880
Anti-Littering \$1000 Fine		
Signs erected on roadsides	1,200 @ \$8 ea	9,600
Keep NC Clean and Green		
Signs erected on roadsides	280 @ \$26.76 ea	7,493
Keep NC Clean and Green		
Signs - Miniature	100 @ \$11.75 ea + \$50 set-up fee	1,225
Car Litter Bag Stands	100 @ \$4.95 ea	495
Buttons w/logo	5000 @ \$0.18 ea + \$50 set-up fee	950
AAH PSA Videotapes	7 @ \$13 ea	91
WRAL TV Promo Video	1 @ \$32	32
AAH-Wildflower PSA Videos	5 @ \$11 ea	55
Style Manual	1 @ \$32	32
Wildflower Promo Pictures	1 @ \$40	40
	Total	\$54,217

GENERAL INFORMATION

Total Number of Incidents in Raleigh:	46
Total cost of incidents:	\$10,783
Total Number of Incidents in Divisions/DMV:	176
Total cost of incidents:	\$204,414

INCIDENTS:

Security Section responds to any theft, vandalism, etc. that warrants further investigation. This can result from employee involvement, continuous occurrences of incidents in a specific area, momentary value or by request of management. Response is also done upon request of local law enforcement.

If response is made by request or if response is made due to nature of incident, an investigation is made.

Work in conjunction with local law enforcement and/or SBI.

If employee is involved, personnel action is performed by Head of Unit/Section.

PHYSICAL SECURITY:

Perform field physical inspections of all division yards: check for lighting, fences, key control, inventory of personal tools, debris around fences, etc.

Recommend corrections to problems in writing to area supervisor and Division Engineer.

SECURITY GUARDS:

Secure doors after normal working hours.

Unlock doors at beginning of work day.

Raise and lower flags.

Make security rounds through buildings and check outside doors during each hour.

Greet and sign in employees during weekends and holidays.

Report any incidents in building to State Capitol Police and Head of Security.

Respond to fire alarm activations and take appropriate actions.

Provide assistance for groups using auditorium.

SPECIFIC DUTIES:

Internal Investigations

Workplace Violence Incidents

Key Control

Security Guard Standard Operating Procedures

Evacuation Procedures

Portable Radio System

Comments Concerning the DOT Travel Line Items

Travel and subsistence in the DOT Fiscal Section is used primarily for performing audits of engineering firms, utility companies, and railroads. Several of our audit positions are Trust Fund supported and so a substantial portion of the budget in each line item is also Trust Fund supported. The ratios are as follows:

	<u>Trust Fund</u>	<u>Hwy Fund</u>
2236 In State Subsistence	11,150	9,463
2237 In State Transportation	6,550	5,221
2238 Out of State Subsistence	5,950	10,163
2239 Out of State Transportation	3,850	4,011
2240 Other Travel Expenses	<u>250</u>	<u>2,059</u>
Total	27,750	30,917

The Trust Fund positions and related travel were added about two years ago. There were long delays in filling the positions and so travel funds have not been utilized to the level anticipated to date. We anticipate spending about \$40,000 from these accounts in the current year. This would suggest that an \$18,000 decrease in the whole group of accounts would not constrain us.

However, in the past three years we have transferred the surplus travel money to the Data Processing Equipment and Software line items to replace personal computers. We have 120 personal computers in the DOT fiscal section plus a file server and various peripherals. If we assume a 5 year useful life (a liberal assumption) we would need to replace 24 per year to keep current. The annual cost would be \$120,000. Our authorized budget of \$80,200 is insufficient. I would request that any decrease in travel line items be offset by an increase in data processing equipment and software.

If an absolute cut in travel is required, the question becomes how much should be taken from the Highway Fund appropriation. Given the ratio in the accounts I would recommend taking \$10,000 from the Highway Fund appropriation and \$8,000 from the Highway Trust Fund receipts.

Section Functions Prior to Consolidation

Facilities Management Branch

- Project Management of Division of Highways construction projects - design done primarily in-house and construction primarily contracted
- Construction and Renovation Projects via maintenance budget funds and 3000 work order series
- Property Management for Division of Highways

General Services Section - DOT

- Project Management of construction projects for DMV and Highway Patrol buildings, and Raleigh DOT buildings, excluding the Division of Highways - both design and construction primarily contracted
- Construction and Renovation Projects for buildings listed above
- Field Maintenance for DMV and Highway Patrol buildings, Highway Building, DMV Building, Century Center Complex, Thompson Building, and the Materials and Test Lab on Blue Ridge Road
- Maintenance Warehouse including sign making
- Mail and Supply Services - Highway Building and Century Center
- Reproduction Services located at the Highway Building and the Century Center Complex
- Housekeeping Contract Management for DMV and Highway Patrol Buildings, DOT-Admin - Raleigh, and 14 Division Offices of the Division of Highways
- Waste Management

General Services Unit - DMV

- Mail and Supply Services for DMV
- Reproduction Services for DMV



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

JAMES B. HUNT JR.
GOVERNOR

FERRY DIVISION
113 ARENDELL STREET, ROOM 120
MOREHEAD CITY, N.C. 28557

GARLAND B. GARRETT JR.
SECRETARY

March 3, 1997

MEMORANDUM TO: Ruth Sappie, DOT Legislative Liaison

FROM: Charlie Utz, Administrative Officer
North Carolina Ferry Division

SUBJECT: Ferry Division Charges to Work Orders
2000 Series Budget, Objective Code 910

The 910 objective code under the Ferry Division's 2000 budget is used for the reimbursement of charges generated when a 2000 series employee performs work associated with a 3000 series or other project. This objective code is not directly funded as part of the budget. Generally this objective code is used by the Ferry Division to be reimbursed for the out of state travel and subsistence charges associated with the construction of a new ferry vessel. These projects are partially funded with federal funds and a 2000 employee cannot charge directly to the associated work order number.

Shown below are the balances for this objective code for FY '92-'93 through FY '95-'96:

<u>FY YEAR</u>	<u>ENDING BALANCE</u>
FY '92-'93	\$14,696.59
FY '93-'94	\$23,676.88
FY '94-'95	\$25,229.72
FY '95-'96	\$16,849.59

A new ferry vessel will begin construction in April, 1997 in Bayou LaBatre, Alabama. The Ferry Division's 2000 budget will reflect any charges associated with the out of state travel and subsistence of the engineering staff while this vessel is under construction. This project will conclude on April 3, 1998. An estimated amount of reimbursement that will be shown in the 910 objective code is approximately \$20,000. This total will be divided between the FY '96-'97 and FY '97-'98 budget periods.

I hope that you find this information helpful. Please feel free to contact me with any additional questions or concerns.

CMU



MAJOR ITEMS OF WORK FOR MINIMUM CUSTODY INMATES

<u>FUNCTION</u>	<u>DESCRIPTION</u>	<u>PERCENT</u>
411-413	Asphalt Patching	25.0%
432	Manual Clearing of Right-of-Way	6.2%
434	Removal of Hazards from Right-of-Way	6.7%
435	Litter Pickup	3.6%
441-442	Maintenance of Shoulders and Ditches	19.0%
476	Maintenance of Pipe and Outfall Ditches	5.5%
	Miscellaneous (For example: Installation of Pipe Culverts; Miscellaneous Drainage Items; Maintenance of Facilities; Clearing and Grubbing; Maintenance of Unpaved Roads; Construction of Secondary Roads)	34.0%

MAJOR ITEMS OF WORK FOR MEDIUM CUSTODY INMATES

<u>FUNCTION</u>	<u>DESCRIPTION</u>	<u>PERCENT</u>
311	Clearing and Grubbing	5.9%
432	Manual Clearing of Right-of-Way	42.9%
435	Litter Pickup	15.8%
441-442	Maintenance of Shoulders and Ditches	12.2%
476	Maintenance of Pipe and Outfall Ditches	17.2%
	Miscellaneous	6.0%

II A**LITTER PICKUP**

During FY 1995-96, the Department of Transportation's agreement with the Department of Correction called for 1,138 minimum custody inmates and 1,172 medium custody inmates to be made available on a daily basis for work on the roads of the state. A portion of the work performed involved litter pickup.

	<u>HOURS</u>	<u>COST</u>
Minimum Custody	49,868	\$ 65,017
Medium Custody	159,057	848,374
State Forces	-	<u>1,237,600</u>
TOTAL		\$2,150,991

3/3/97

III

JANITORIAL CONTRACTORS BY LOCATIONS
ANNUAL CONTRACT COST, HOURLY WAGES, BENEFITS
27 February 1997

I. Raleigh Thompson Building

Contractor: Perfection Janitorial Services
Box 20913
Raleigh NC 27619

Contract Price: \$10,687.50

Full-time employees: None
Part-time employees: 3 employees/2 hours per day

Wages: \$7.00/hour

Benefits: None

II. Division of Motor Vehicles

Contractor: Richardson & Sons Building Maintenance & Janitorial
Supply, Inc.
2033 Progress Court
Raleigh NC 27608

Contract Price: \$125,687.40

Full-time employees: 5 employees/8 hour per day
Part-time employees: 9 employees/3.5-4.0 hours per day

Wages: Varies from \$5.50-\$8.00/hour depending on experience and
seniority.

Benefits: Full-time employees only: 1 week paid vacation
3 paid holidays

III A

III. Highway Building

Contractor: Right Touch Cleaning Service
8 Gilbert Avenue
Raleigh NC 27603

Contract Price: \$191,835.02

Full-time employees: 4 employees/8 hours per day (day)
Part-time employees: 1 employee/5 hours per day (day)
13 employees/3 hours per day (night)

Wages: \$6.00/hour

Benefits: After employed one year: 1 week vacation

IV. Century Center

Contractor: Walter Clark Janitorial Services, Inc.
Box 28898
Raleigh NC 27611

Contract Price: \$159,000.00

Full-time employees: 5 employees/8 hours per day (day)
Part-time employees: 10 employees/3 hours per day (night)

Wages: Full-time \$6.00-7.00/hour
Part-time \$5.50-6.50/hour

Benefits: Full time employees receive paid vacations and holidays.

**NC DOT/AVIATION
OBJECTIVE CODE EXPLANATIONS**

March 3, 1997

Why are Codes 2451 (Fuel Charged to Equipment) and 2522 (Rental of Equipment) historically under expended?

The basic reason for the pattern over the past two years is equipment downtime for non-repetitive conversions or non-scheduled maintenance. When the aircraft are not flying, fuel is not being expended and the aircraft are taken off rental status.

Objective Code 2451 reflects fuel charges to equipment. The level of expended funds is related to aircraft types, trip lengths, altitudes flown, destinations and fuel prices. Aviation turbine fuel prices for the southeast vary from \$1.20 per gallon (plus tax) to \$2.86 per gallon (plus tax). Aviation fuel prices cannot be accurately projected and are not as stable as motor fuel prices. The encumbrance rate of 80% for FY95-96 certainly reflects some of the above factors, but the primary reason for the lower expenditure is that aircraft were off rental for 139 days for maintenance, conversions or equipment failures and thus not flying.

Objective Code 2522 contains funds for the daily rental of aviation assigned equipment from the Highway Equipment Unit. Based upon full equipment availability, \$880,910 would normally be required to fund the rentals. The requested budget of \$822,021 reflects some projected equipment downtime. Two aircraft in FY95-96 were down for 60 aircraft days for non repetitive conversion activities. These conversions decreased needed rental funds by \$60,000 for the year. Several engine failures in the previous year also reduced availability. The funded encumbrance rate for FY95-96 was 92%.

Past Encumbrance Rates:

Year	Fuel (2451)	Rental (2522)
95-96	80%	92%
94-95	82%	84%
93-94	100%	100%
92-93	94%	96%
91-92	96%	100%

JOINT APPROPRIATIONS TRANSPORTATION SUBCOMMITTEE

Minutes

March 5, 1997

8:00A.M.

Room 1327 Legislative Building

The Joint Appropriations Subcommittee on Transportation met on Wednesday, March 5, 1997 at 8:00A.M. in room 1327 of the Legislative Building. All five Senate members were present. The following House members were present:

Rep. Joanne Bowie

Rep. Ed McMahan

Rep. Dan Blue

Rep. Jim Gulley

Rep. Thomas Hardaway

Rep. Bill Hiatt

Rep. Mary McAllister

Rep. James Crawford

The meeting was called to order by **Senator Luther Jordan** who chaired the meeting. The meeting was turned over to staff, Mr. Tony Goldman.

Mr. Goldman discussed Budget code 84220. Please refer to page 74 of the Volume 6 of the North Carolina State Budget. Mr. Goldman read line items 2236 through 2347, noting that in all of these lines less money than was authorized was spent.

Rep. Bowie asked regarding line 1020 in the 1st division and other divisions, are they the same? Dr. Larry Goode said the size of the divisions are different, therefore the staffing differs.

In response to a question by Rep. McMahan regarding the consistence of retirement percentage throughout the state, Mr. Goldman said generally speaking, the answer is yes. The formula is roughly 2% health care for retirees and 8% pensions, totaling 10.83%.

In response to a question by Rep. McAllister, Mr. Goldman said yes the fringe benefit package is reflected in lines 1201, 1202, 1203, and 1220. Mr. Goldman elaborated that the fringe benefits package is approximately 20%. 7.65% goes to Social Security. The state pays the premiums on health care.

Rep. Sutton wanted to know if the number of positions listed were salaried. Mr. Goldman stated yes, these positions are funded through appropriations.

In response to a question by Senator Albertson about the difference between divisions, Dr. Goode said the difference is due to contracts that are granted, creating administrative work.

Mr. Goldman continued to walk through the Divisions, line by line. He noted (page 83) the erratic spending pattern in Division 5. Dr. Goode said the spending pattern was due to a new office and a new computer system in the Division, which is Raleigh-Durham.

In response to a question by Senator Albertson, Dr. Goode said the overtime paid for people who work in the field is mostly from work order funds, unless it is an emergency, in which case the time is charged to an emergency fund. A worker must accumulate 250 hours in compensation time before earning overtime. Rep. Hardaway wanted to know source of funding for office furniture (page 83). Mr. Wayne Stallings said that money came from other areas to buy furniture, such as travel or something else. Senator Rucho wondered why what is needed is not budgeted where it is needed. Mr. Stallings said that overall the budget is what is paid attention to, and they need the flexibility. Senator Rucho said he is referring to longtime budget. Mr. Stallings said if we cut the budget it will greatly reduce flexibility. Dr. Goode emphasized Mr. Stallings comments. He elaborated that the only increase in the budget was for telephones, and he said the budget is very tight and it is never known when an emergency will arise. Mr. Crawford, from State Budget Office said DOT is not allowed to increase budget so that the State Budget Office allows them to move money around.

Rep. Bowie agreed that the divisions need flexibility but she'd rather see what they actually use. It appears that though there is no contingency, there are reserves for salary increases, etc., but not operating expenses. Mr. Crawford of the State Budget Office agreed. Rep. McMahan wondered why money not spent was not carried forward.

Mr. Goldman announced that Division maps were in the committee notebooks.

Dr. Goode said that 500 positions in DOT had been eliminated. Sen. Albertson asked if that had caused an increase in overtime. Dr. Goode said there had been an increase in temporary staff, privatization as well as overtime. In response to a question, he said the temporaries are not the same. In summer many students are hired. He said they do not have 500 temporary positions. They have increased the work they contract out from 29% to about 40%. Senator Albertson was concerned that temporaries are not receiving benefits. Dr. Goode said that temporaries are next in line for entry level positions, which have a lot of turnover.

Mr. Goldman continued with the various division budgets. In Division 9, (page 91), lines numbered 2236, 2237, 2238, 2239, 2240, travel expenses could be adjusted, and 2241 through 2247. In Divisions 10 and 11, repair items could be adjusted. In Divisions 12 and 13, the same items can be adjusted. In Division 14, which is in the western part of the state, lines 2243-2247 could be adjusted (see page 104 of budget)

Senator Albertson wanted to know if secondary roads are being contracted out. Dr. Goode responded that a private engineer for design has devised a method to contract out some of the secondary roads if we take care of the unknowns and they do that which is quantifiable..

Mr. Goldman returned to the budget, page 106. He said line 2236 could be adjusted and he had some question regarding item 2310. Mr. Berry Jenkins from DOT stated that

DOT has an agreement with the US Geological Services and the amount has been \$41,525 consistently for the past several years.

Rep. McAllister wondered what "adjusted" meant. Mr. Goldman said he reviewed the budget patterns from 1993 forward to analyze the spending pattern. He stated that he would make a list of the items staff felt could be adjusted and give that list to DOT so they would have an opportunity to comment prior to the committee voting. Rep. McAllister wanted to know that if line items were cut, would the overall budget decrease. Mr. Goldman said no, it just adds availability of more money within the Highway Fund. In response to a question by Rep. Sutton, Mr. Goldman said that DOT can only spend what was approved. Mr. Wayne Stallings, DOT controller restated that whatever is in the budget is all that can be spent. No transfer of money is allowed from operations to administration, etc. The Highway Fund therefore stays pretty much the same. Sen. Carpenter asked for clarity. Mr. Goldman stated that the money not spent reverts to the Highway Fund.

Mr. Goldman continued walking through the budget, page 107, items 2410, 2341, 2473, 2512 could be adjusted. Rep. McAllister wanted to know why repairs throughout could be adjusted. Mr. Goldman said that they (staff) were just looking at the numbers and they will talk to DOT today regarding this.

Regarding line 2640, Mr. Berry Jenkins of DOT stated that there are 3000 employees who normally charge through work orders. However, there are times when their work cannot be charged to work orders and this line reflects how they are paid.

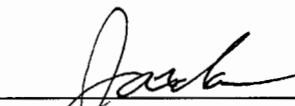
Mr. Goldman continued with the budget. He then read the purpose of Maintenance. He referred to page 114, Safety and Loss Control. Safety and Loss Control has improved as evidenced by a decrease in Workmen's Compensation. Mr. Goldman continued through the line items until he was on page 124, regarding the computer system. He explained the need for special computers at DMV other than MIS.

Rep. Sutton wanted to know how DMV calculate savings from a new computer system. Mr. Jenkins from DOT stated that the computer system enables some design functions to be performed. In response to Sen. Rucho, Mr. Jenkins said they are customizing some programs. Sen. Rucho stated that other states have already developed some of the computer programs that we may need and wondered if we were talking to other states. Mr. Jenkins said we are working with other states.

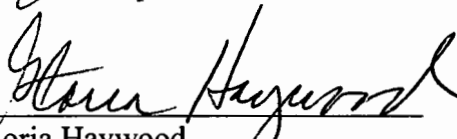
Rep. McAllister asked about items 2475, 2518, and 1223. Mr. Jenkins explained the 2475 related to first aid kits, 2518 he speculated related to phones, and 1223, he stated was payroll additive for longevity which lon stands for.

Mr. Goldman resumed. On Page 128, Highway Engineering Assocs., 57 people are involved..

Senator Jordan recommended that staff work with DOT and return to the committee with a tight plan on which the committee could vote. Senator Jordan then adjourned the meeting at 10A.M..



Senator Luther H. Jordan, Jr.
Senate Chairperson



Gloria Haywood
Senate Committee Clerk

JOINT APPROPRIATIONS
TRANSPORTATION SUBCOMMITTEE

March 5, 1997

Agenda

1. Continuation Budget Review

DOT Operations
Budget Code (84220)

Tony Goldman, Staff

VISITOR REGISTRATION SHEET

APPROPRIATIONS-DEPARTMENT OF TRANSPORTATION

Committee

3/5/97
Date

VISITORS: Please sign below and return to Committee Clerk

NAME

FIRM or AGENCY and ADDRESS

WAYNE STALLINGS	DOT
BERRY JENKINS	DOT
Cecil Hinnant	DOT
Jim Brown	NC State Ports
Mitch DePaul	OSBM
Ruth Sappire	NCDOT
William Riddell	NCDOT
John J. Gable	NCDOT
Charles Barker	CHPA
Ken Wright	IRBS
Rob Nelson	OSBM
Michel Leonard	SEANC
VL McBride	NCDOT

Today's Pages are:

Date: 3/5/97

Name: Anna Sweeting

Home: Johnston

Sponsored by: Billy Creech

Name: Wardie P. Vincent Jr.

Home: Northampton

Sponsored By: Howard Hunter

Senate
Pages

{ Bill Monday - Raleigh
by Reeves
Matt Tepper - Cary
by Carrington

**THE JOINT LEGISLATIVE
APPROPRIATIONS
SUB-TRANSPORTATION COMMITTEE**

**MARCH 6, 1997
8 AM
ROOM 1327**

The Joint Legislative Appropriations/sub-Transportation Committee met in Room 1327 at 8 am on Thursday, March 6, 1997. **Representative Jerry Dockham** called the meeting to order. Visitor's Sheet attached.

Members Present:

Rep. Jerry Dockham, Co-Chair
Rep. Ed McMahan, Co-Chair
Rep. Thomas Hardaway
Rep. Jim Gulley
Rep. Drew Saunders
Five Senators

Rep. Joanne Bowie, Co-Chair
Rep. Bobby Barbee
Rep. Bill Hiatt
Rep. Mary McAllister
Rep. Ronnie Sutton

Representative Dockham introduced **Tony Goldman, Fiscal Research Division**, to continue with the review of the continuation budget adjustments - Budget Code 84220, Transportation Operations (see attachment I). Committee discussion took place.

Representative Bowie moved to accept the budget and cuts as presented. **Motion passed.**

Mr. Goldman next reviewed the vacant positions in the operations budget (budget code 84220). Six positions have been vacant more than one year. The attachment reviews the six positions, specific duties, and why the position has remained vacant. If the position is currently filled by a temporary employee, salary, and why the position should not be eliminated? (see attachment II. Pg. 1-6).

Larry Goode, State Highway Administrator, Department of Transportation, requested that the Committee allow the Department the flexibility to hold these positions open in case of need; such as, heavy workloads and/or expanded programs.

Dr. Goode presented a review of position reductions in the Department since January 1, 1993, indicating a reduction of 500 positions and savings of 11.5 million (see attachment III).

Representative Bowie moved that staff "Flagg" this item for the Committee to revisit.

Representative Dockham introduced **Mr. Joe Parker, Director of the Governor's Highway Safety Program**, who presented a brief history of the Highway Safety Program (see attachment IV. (a) Pg. 1-6).

Mr. Parker provided information to the Committee as listed below:

- Summary of moneys the Governor's Highway Safety Program is responsible for administering. The list also provides the source of funds (see attachment IV (b)).
- DEHNR Intoxilyzer Transfer Funds (see attachment IV (c)).
- Booze It or Lose It/Click It or Ticket (see attachment IV (d)).
- Breath Alcohol Testing Mobile Unit (see attachment IV (e)).
- 1997 High School Traffic Safety Awareness Program (see attachment IV (f)).
- List of NC Governor's Highway Safety Commission Members (attachment IV (g)).
- Membership list Governor's Council for Young Adult Drivers (attachment IV (h)).
- NC Highway Safety Exposition Events Scheduled 1997 (attachment IV (i)).
- NC Highway Safety Exposition Events Scheduled 1996 (attachment IV (j)).
- Program Area Cost Summary for the Year Ending 1997 (attachment IV (k)).

Discussion took place in regard to truck drivers, safety standards, motorcycle helmets, and safety driving hazards in vehicles using cellular phones.

Karl Knapp, Fiscal Research Division, reviewed the State and Federal Funding for the Governor's Highway Safety Program Budget (see Budget Book, Page 168 - 174). Mr. Knapp indicated most of the funding comes from the Federal government; only a small portion is funded by the State. Total funding is six hundred and twenty thousand dollars.

Senator Reeves moved the Committee accept the budget as presented. Motion Passed.

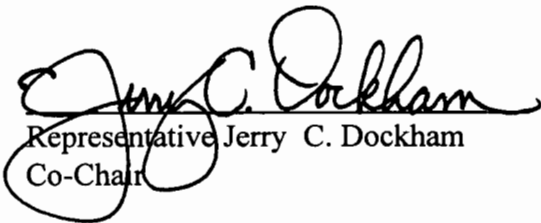
Tony Goldman, Fiscal Research Division, introduced **Mr. Berry Jenkins, Deputy Administrator of Preconstruction, DOT**. Mr. Jenkins spoke to the Committee in regard to the Department's Aerial Photography and Photogrammetric Mapping Program (see attachment V). Mr. Jenkins explained that aerial photography and photogrammetric mapping are primary tools used in every project development process. The Department uses their own aircraft, flight crews and equipment. Discussion took place on how often the Department contracted out services. The department indicated in order to meet the various Transportation Improvement Projects (TIP) schedules, the services of private

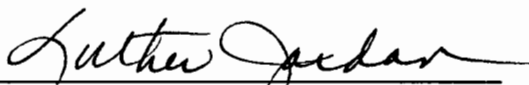
Joint Appropriations/sub-Transportation Committee
March 6, 1997

engineering firms, particularly photogrammetric mapping companies, have been utilized to supplement the Photogrammetry Unit's workforce on a limited basis.

Meeting adjourned at 9:35 am.

Respectfully submitted,


Representative Jerry C. Dockham
Co-Chair


Senator Luther Jordan, Jr.
Co-Chair


Sharon A. Gaudette
Committee Clerk

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Sub-Committee Transportation

Name of Committee

3/6/97
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

Shannen Bullock	GHSP
Don Nail	GHSP
John Toyner	BHSP
Joe Parker	GHSP
Ruth Sappire	NC DOT
C. A. GARDNER	NC DOT
BERRY JONES	NC DOT
Don Gorins	NC DOT
FR Gons	NC DOT
Charles Barber	CHPH
David Hertzong	State Planning
Rob Nelson	OSBN

IV - (G)

The nine major areas of funding and their objectives are:

Alcohol/Drugs - To develop programs directed toward reducing alcohol/drug-related traffic crashes, injuries and fatalities.

Occupant Protection - To initiate programs and activities that will contribute to an increased usage of child safety seats, seat belts and air bags.

Police Traffic Services - To decrease the traffic crash problem through selective traffic enforcement, public information, education, equipment and training.

Speed Control - To implement programs that will ensure speed limit compliance, which will reduce the number of speed-related traffic crashes.

Traffic Records - To improve the data collection of traffic crashes.

Emergency Medical Services - To develop and enhance methods of responding to motor vehicle crashes and transporting and treating injured persons.

Motorcycles - To reduce deaths and injuries associated with motorcycle crashes.

Pedestrians/Bicycles - To prevent and reduce the number of bicycle and pedestrian injuries and deaths.

Roadside Safety - To combat traffic crashes on our highways through engineering activities, education and enforcement.

In addition, the GHSP has recognized that motor vehicle crashes are a major health problem and encourages the formation of community traffic safety programs (CTSP) with the health care community taking the lead. It is the goal of CTSPs to establish long-term, community-based, self-sustaining traffic safety programs with diverse measures to address problem areas.

Please address all funding questions to the Manager of Planning and Evaluation.

ADDITIONAL GHSP SERVICES

If you decide not to pursue funding, the GHSP may still be of assistance. Information concerning all areas of highway safety is readily available. Please feel free to call with any questions. If we do not have the answer, we will put you in touch with someone who does.

If you need brochures or incentives for a particular event, please call with your order as early as possible before the event. We will try to accommodate any request. Also available for loan are several Vince and Larry crash dummy costumes. These are very popular, and you must reserve early.

The North Carolina Highway Safety Exposition (EXPO) is also available for special events. The award-winning Exposition is a 50-foot tractor trailer with an interactive highway safety exhibit. This traveling exhibit features animated robotic characters and an impaired driving simulator.

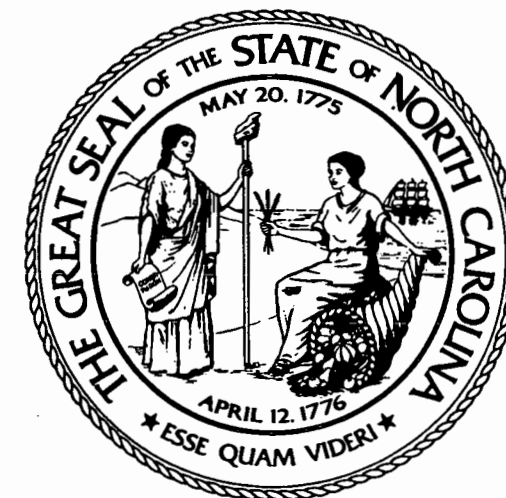


NC Department of Transportation
NC Governor's Highway Safety Program



1,000 copies of this document were printed at a cost of \$.01 per copy

NORTH CAROLINA GOVERNOR'S HIGHWAY SAFETY PROGRAM



Governor's Highway Safety Program
215 East Lane Street
Raleigh, North Carolina 27601
(919) 733-3083
Fax (919) 733-0604

DIRECTOR'S MESSAGE

North Carolina has come a long way since the Highway Safety Act of 1966 was enacted by Congress. The highway death rate in 1966 was 6.78 per 100 million miles traveled. By 1994, this rate had dropped to 1.99. This can be attributed to many factors, including improvements in vehicle crash worthiness and design, and passage of motor vehicle laws pertaining to safety issues such as driving while impaired, child safety seat usage and mandatory belt usage. Despite these successes, the number of highway deaths is still unacceptably high and represents a tremendous human tragedy.

Because of North Carolina's past record of accomplishments in highway safety, our state has been selected by the Insurance Institute for Highway Safety for a five-year national demonstration project called the Governor's Highway Safety Initiative. The goal is to demonstrate that international levels of occupant restraint use, reduced impaired driving and reduced speeding can be accomplished in the United States. The first year for this joint public-private partnership was 1993. In 1994 "Click It or Ticket" raised seat belt usage from 65 to 81.4%. In 1995 "Booze It & Lose It" had cut impaired driving in half with less than 1 in 100 impaired drivers at nighttime checkpoints. To make a more positive impact on highway safety problems, we need your help. Highway deaths are not limited to high population areas of the state. In fact, the number of crashes is almost equal between urban and rural areas. However, over three-quarters of the fatal crashes occur in a rural setting.

If you are a member of a state agency, local government or non-profit organization and have a proposal, or just an idea, addressing one or all of the program areas outlined in this document, we would like to discuss it with you. Without the efforts of individual communities and organizations, we cannot tackle the problem of highway deaths and injuries. The success of a statewide initiative is directly dependent on your individual accomplishments.

Joe M. Parker, Director
Governor's Highway Safety Program
January 1996

WHAT IS GHSP?

The Governor's Highway Safety Program (GHSP) was created in 1967 by legislation which empowered the Governor to contract with the U.S. Department of Transportation for the purpose of securing funding available through the Highway Safety Act of 1966, Section 402. This funding provides for the administration of a highway safety program designed to reduce traffic crashes and the resulting deaths, injuries and property damage.

The GHSP is currently staffed with 12 professionals and eight support personnel representing planning, programming, evaluation, fiscal management, public information and education. The GHSP's mission is to plan and execute a comprehensive highway traffic safety program for North Carolina to reduce the number of fatalities and injuries on the state's roadways. This mission is supported by several goals:

- To reduce the number of injuries and fatalities on the state's roadways through the efficient use of highway safety resources available on the local, state and national level. These resources include both public and private sources.
- To develop and implement a strategic Highway Safety Plan identifying problems, programs and action plans for addressing the nine 402 priority program areas -- alcohol and other drug programs, occupant restraints, traffic records, police traffic services, emergency medical services, speed control, motorcycles, pedestrians/bicycles and roadside safety.
- To promote a wellness lifestyle through the involvement of health professionals in traffic safety and to apply public health techniques to the highway crash problem.
- To increase public awareness of traffic safety issues and the impact traffic safety has on the State.
- To provide technical assistance, including training, to communities, state agencies, private sector groups and key practitioners.
- To innovatively address highway safety issues involving all sectors of the economy, public and private, in a coordinated planned fashion.

HOW TO APPLY FOR FUNDING

If you have identified a particular problem in your community and have the support of the local government, or are a member of a state agency or non-profit organization, we would be interested in discussing your ideas.

Concept statements are due in the GHSP office no later than January 31. This proposal must contain a statement of the problem, proposed goals and objectives, three years of pertinent data, anticipated tasks, a proposed budget and long-range continuation plans. Please call the GHSP office prior to the deadline date if you would like to discuss the feasibility of your idea.

All concept statements will be reviewed internally, and if accepted, you will be asked to submit a formal contract application. The GHSP staff is available to discuss your program ideas at any time in the application process.

We are looking for project ideas that not only address a serious highway safety problem, but also show dedication, innovation and initiative. Depending on the number of concept statements received, we may also need to rank them according to need and the probability of success.

MAJOR FUNDING AREAS

To fund those areas with the best opportunity of reducing death and injury, the National Highway Traffic Safety Administration (NHTSA) and the Federal Highway Administration (FHWA) have identified nine major areas eligible to receive funding. Although funding is not limited to these areas, consideration of proposals falling outside these areas will require extensive justification and approval from federal agencies.

JOINT APPROPRIATIONS

TRANSPORTATION SUBCOMMITTEE

March 6, 1997

Agenda

1. Continuation Budget Review

DOT Operations
Budget Code (84220)

Tony Goldman, Staff

2. Governor's Highway Safety Program

Joe Parker, Director

3. Photogrammetric mapping (possible)
Berry Jenkins

**CONTINUATION BUDGET REVIEW
CONTINUATION BUDGET ADJUSTMENTS**

BUDGET CODE: (84220) TRANSPORTATION OPERATIONS

	FY 1997/98	FY 1998/99
Expenditure Reduction:		
Educational Expenses (2233)	\$29,000	\$29,000
Emp. Subsistence & Trans. (2236;7;8;9;40)	82,500	82,500
Telephone (2322)	7,000	7,210
Repairs (2342;7)	8,000	8,000
Photographic Supplies (2410)	12,000	12,000
Data Processing Equip (2510)	15,000	15,000
Eng'r & Drafting Equipment (2512)	20,000	20,000
Rent of Equipment From Equip. Div. (2522)	5,000	5,000
Laboratory Equipment (2514)	7,000	7,000
Services by Other Hwy Divisions (2640)	30,000	30,000
Total	<u>\$215,500</u>	<u>\$215,710</u>
Receipt Increase:		
Direct Charges to Job Orders (0910)	\$50,000	\$50,000
Other Receipts (0990)	25000	25000
Total	<u>\$75,000</u>	<u>\$75,000</u>
Total Impact	<u>\$290,500</u>	<u>\$290,710</u>

II.
Pg. 1-6

Position Number: 4250-0500-0100-149 Budget Code: 84220 Fund Code: 1041

Classification: Information Processing Assistant II

Funding Source: Highway Fund Appropriation(X) Highway Trust Fund(X)
Work Order() Receipts()

Position Duties: Provides statistical data, data entry, and data processing support through the use of the State Mainframe System and SAS Data Sets and files to develop and produce the TIP.

Why has the position remained vacant? Position has been held vacant by the State Highway Administrator.

If the position is currently filled with a temporary employee, what are the annual wages of the employee? _____

Why shouldn't the position be eliminated? The Section feels that they need to fill the position. This decision, however, will be at the discretion of the State Highway Administrator.

Position Number: 4250-0500-0100-128

Budget Code: 84220
Funding Code: 1041

Classification: Transportation Tech IV

Funding Source: Highway Fund Appropriation(X) Highway Trust Fund()
Work Order() Receipts()

Position Duties:

Why has the position remained vacant? Management has been working with Personnel to rewrite job description to reclassify to a position that will assist with computer efforts of the Branch. Due to the workload and priorities of the Branch management has had to put this assignment on a lower priority.

If the position is currently filled with a temporary employee, what are the annual wages of the employee? _____

Why shouldn't the position be eliminated? Management is in the process of completing description and needs the position to perform duties in the computer area for the Branch. This is based on management utilizing the position where it will benefit the Branch.

Position Number: 4250-0305-0500-204 Budget Code: 84220 Fund Code: 2217

Classification: Office Assistant III

Funding Source: Highway Fund Appropriation(X) Highway Trust Fund(X)
Work Order() Receipts()

Position Duties: Performs office support duties including typing,
filing, record preparation and related duties.

Why has the position remained vacant? Employee was on Long Term
Disability and was separated 11/13/96. Position has been posted and
interviews are in progress.

If the position is currently filled with a temporary employee, what are
the annual wages of the employee? _____

Why shouldn't the position be eliminated? Interviews are in progress to
fill position.

Position Number: 4250-0402-0500-205 Budget Code: 84220 Fund Code: 2320

Classification: Office Assistant III

Funding Source: Highway Fund Appropriation(X) Highway Trust Fund()
Work Order() Receipts()

Position Duties: Performs office support duties in the areas of typing, filing, records management, etc.

Why has the position remained vacant? Due to efficiencies implemented (utilization of personal computers by professional staff to prepare their own letters), the Branch has managed to get by without filling position.

If the position is currently filled with a temporary employee, what are the annual wages of the employee? _____

Why shouldn't the position be eliminated? Although the Traffic Engineering Branch has managed to operate without filling the position, the workload is expanding in the traffic control area due to the large economic growth of the State. Position will be definitely be needed as the workload increases.

Position Number: 4250-0402-0000-233 Budget Code: 84220 Fund Code: 2320

Classification: Transportation Staff Engineer II

Funding Source: Highway Fund Appropriation(X) Highway Trust Fund(X)
Work Order() Receipts()

Position Duties: Performs staff support duties for Manager of Traffic Engineering Branch. This involves a support and liaison role with the four uniks and manager to keep things moving when Manager is gone.

Why has the position remained vacant? Present Manager has managed to operate without filling position.

If the position is currently filled with a temporary employee, what are the annual wages of the employee? _____

Why shouldn't the position be eliminated? Present Traffic Engineering Branch Manager is long term employee of 32 years with 15 years actually serving as Branch Manager. A new manager would probably need to utilize the staff engineer role since he would not be as familiar with the operation of the Branch.

Position Number: 4250-0701-0000-042 Budget Code: 84220 Fund Code: 2351

Classification: Technical Trainer III

Funding Source: Highway Fund Appropriation(X) Highway Trust Fund(X)
Work Order() Receipts()

Position Duties: Performs advanced level trianing, consulting and technical work in a specific technical field.

Why has the position remained vacant? Position has been held vacant and duties were experimentally absorbed into other positions.

If the position is currently filled with a temporary employee, what are the annual wages of the employee? _____

Why shouldn't the position be eliminated? Paperwork has been prepared to transfer this position to the Training Section to assist in providing training to field personnel on the Skill Based Pay Program.

Dr. Good III

North Carolina Department of Transportation
Position Reductions since
January 1, 1993

	1993-95		1995-97		TOTAL	
	Number of Positions	Savings (In Millions)	Number of Positions	Savings (In Millions)	Number of Positions	Savings (In Millions)
DOT Administration	21	\$0.9	5	\$0.2	26	\$1.1
Division of Highways	180	\$4.4	106	\$1.6	286	\$6
Division of Motor Vehicles	102	\$2.6	86	\$1.8	188	\$4.4
TOTAL	303	\$7.9	197	\$3.6	500	\$11.5

Reduced by
500

IV (a)
pg. 1-6

Remarks for Joe Parker
Director
Governor's Highway Safety Program
March 6, 1997

Good morning. I'm Joe Parker, director of the Governor's Highway Safety Program. A copy of my remarks are in your packet.

■ **History**

The Governor's Highway Safety Program (GHSP) was created in 1967 by legislation passed by the NC General Assembly, which empowered the Governor to contract with the U.S. Department of Transportation for the purpose of securing funding available through the Highway Safety Act of 1966, Section 402. This funding provides for the administration of a highway safety program designed to reduce traffic crashes and the resulting deaths, injuries and property damage. The GHSP's mission is to plan and execute a comprehensive highway traffic safety program for North Carolina to reduce the number of fatalities and injuries on the state's roadways.

Each state is required by law to have a highway safety program, which provides at least a 50 percent hard cash match of the planning and administration expenses of the program. However, the federal share of planning and administration is limited to a 10 percent maximum of the federal base 402 award each fiscal year.

■ **Organizational Chart**

The GHSP is currently staffed with 12 professionals and eight support personnel representing planning, programming, evaluation, fiscal management, public information and education. Twelve positions are funded 50/50 with state and federal monies. Seven of the staff positions are paid 100 percent with federal funds through highway safety project contracts. Two positions are funded with 100 percent private funding. State funding for the GHSP is currently \$328,700. This funding is utilized to administer a program that annually exceeds \$6.5 million.

■ **State appropriation breakdown**

Category	Amount
Salaries and Fringe Benefits	\$274,250
Travel Expense	20,000
Repairs and Service to Equipment	2,500
Postage, printing, telephone, office supplies	7,500
Equipment purchases and rental	7,150
Audit	4,000
Computer equipment and training	5,500
Parking, Dues, Subscriptions	4,300
Project Directors meeting	3,500

■ **Federal funding**

The Governor's Highway Safety Program uses the federal traffic safety funding to implement a strategic highway safety action plan for North Carolina. Approximately half of these funds go directly to local communities. These funds assist law enforcement agencies, health departments and other governmental and nonprofit agencies to help reduce traffic injuries and fatalities across the state.

**■ FY 1997 Program Area Cost Summary from the Highway Safety Action Plan
-Federal Funding**

Program Area	Amount
GHSP Planning & Administration	\$ 300,700
Community Traffic Safety Programs	70,000
Safe Communities	185,500
Alcohol Involvement	264,400
Section 410 Alcohol Supplemental	1,040,200
Youth Alcohol	330,300
Police Traffic Services	1,758,400
Occupant Protection	353,600
Motorcycle Safety	37,500
Roadside Safety	354,000
Total	\$4,694,600

■ Special Funding

◆ Motor Carrier Safety Assistance Program USDOT:

The GHSP is receiving funding for three special projects to assist NC in its efforts to mitigate the number of large truck crashes in the state. The projects are as follows:

No-Zone Campaign-This project is an educational effort directed to the motoring public concerning blind spots surrounding large trucks. Funding for this effort is \$30,000.

Commercial Motor Vehicle Safety Data System Study-This project is establishing a database of commercial motor vehicle crash data in an effort to identify high crash locations and the causes of the crashes. This is a joint effort by the UNC-CH Highway Safety Research Center and the Traffic Safety System Management Unit of the NCDOT. Funding for this effort is \$116,776.

Top Ten Campaign-This project will utilize the areas identified in the Commercial Motor Vehicle Safety Data System Study to implement a public information and education campaign on traffic safety issues for motorist on how to share the roadway with large trucks. The funding associated with this project is \$100,000.

◆ DEHNR Intoxilyzer Transfer Funds:

The Chemical Alcohol Testing Program of the Injury Control Section of the Department of Environment, Health, and Natural Resources (DEHNR) receives 50 percent of the \$50 license reinstatement fee for a civil license revocation (G.S. 20-16.5(j)). The funds not used for maintenance or training purposes by the Chemical Alcohol Testing Program are diverted annually to the GHSP for disbursement to local law enforcement agencies for DWI enforcement and training activities. (See list for agencies funded with FY 1997 funds. This represents the first year of this activity.)

■ Governor's Highway Safety Initiative

Not only does the Governor's Highway Safety Program work in these areas to provide federal highway safety funding to local communities and for statewide projects, it coordinates a highly visible statewide highway safety enforcement and education program called the Governor's Highway Safety Initiative.

In North Carolina and across America, millions of deaths and injuries are caused because people don't use seat belts and child safety seats and because people continue to drink and drive.

Research shows that appeals to "do the right thing" don't work for this high-risk group who are more likely to drink and drive, to speed, to go unbuckled and to be uninsured. What changes their behavior is high visibility enforcement.

This program is saving lives and is preventing countless injuries by increasing seat belt and child safety seat use and cracking down on drunk drivers. The initiative has received national news coverage on "CBS Morning News," the *Atlanta Journal Constitution* and even the *Wall Street Journal* for its successes.

The first phase, "Click It or Ticket," launched the Initiative in 1993 to increase seat belt and child safety seat use rates through stepped-up enforcement of the state's primary seat belt law.

After achieving a dramatic increase in seat belt use, the Initiative turned its efforts to cracking down on impaired drivers with "Booze It & Lose It," the most extensive driving while impaired (DWI) law enforcement and education effort in North Carolina history.

The goals of this initiative are clear cut:

- To save lives, prevent injuries and reduce the health-related costs of traffic crashes by increasing occupant protection use and reducing impaired driving.
- To model a high visibility enforcement and public education campaign for other states and municipalities.
- To combine the resources of the public and private sectors at the national, state and local levels to create a unique, effective partnership.

State government, the National Highway Traffic Safety Administration, the University of North Carolina Highway Safety Research Center, the insurance community, law enforcement and local community coalitions statewide have joined forces to create a model highway safety program.

Nearly every law enforcement agency in the state participates in "Click It or Ticket" and "Booze It & Lose It." We've established partnerships with local hospitals, health department educators, MADD members, business leaders, school teachers, insurance agents and many other groups who are rallying behind this effort.

The General Assembly should be lauded for its work in highway safety. The seat belt law and the child passenger safety law save the lives of adults and children every day. Prior to 1985, when the seat belt law was enacted, belt use hovered at 25 percent. Today, largely because of your foresight, North Carolina's seat belt use is at a record level.

Because of these laws and our "Click It or Ticket" seat belt and child safety seat initiatives, we're seeing great results.

Since the start of the program, North Carolina law officers have held more than 17,000 checkpoints and issued 129,000 seat belt and 11,000 child safety seat citations.

■ **"Click It or Ticket" boosts seat belt use.**

Before "Click It or Ticket" began in 1993, about 65 percent of North Carolinians buckled up. The other 35 percent costs the majority of North Carolina citizens millions of dollars in emergency services and health

care costs. Since becoming director of Governor's Highway Safety Program in 1993, I've learned North Carolinians take highway safety and wearing their seat belts seriously.

Right now, about 83 percent of the state's drivers buckle up. While that's not quite as high as in Canada and in other countries, it's one of the top percentages of seat belt use in the United States. We're proud that we're leading the way.

■ **"Click It or Ticket" saves lives and dollars.**

In the program's first 27 months, "Click It or Ticket" cut fatal and serious highway injuries in North Carolina by 15 percent and saved citizens nearly \$100 million in health care related costs.

■ **"Click It or Ticket" takes a 'bite out of crime.'**

At checkpoints and roving patrols, law enforcement officers have made more than 469,000 charges for violations other than seat belt, child safety seat or drunken driving offenses. Law officers are apprehending car thieves, capturing drug violators and arresting fugitives who may have driven away if not for this initiative.

Since the start of the program, law officers have discovered:

- 4,102 misdemeanor drug violations.
- 769 felony drug violations.
- 571 firearms violations.
- 294 stolen vehicles.

And

- 245 fugitives from justice.

■ **"Click It or Ticket" supports local schools.**

Under North Carolina law, a \$25 seat belt fine goes to local schools. We estimate more than \$3 million has been given to local school districts because of "Click It or Ticket."

■ **"Click It or Ticket" also means child passenger safety.**

North Carolina is a model for the nation when it comes to teaching parents and children about child passenger safety. A pilot program in Durham showed education, along with the "Click It or Ticket" program, dramatically boosts safety seat and seat belt use among children. Our recent "Click It or Ticket" campaigns have included a strong focus on getting children properly buckled up and teaching about air bag safety.

Hundreds of parents visited child safety seat check ups during the "Click It or Ticket" campaign in November. Experts from public health offices, fire and rescue departments, local hospitals and law enforcement agencies checked child seat installation and explained the potential dangers with passenger-side air bags and children.

This spring, the Governor's Highway Safety Program is coordinating a massive training effort in child passenger safety for law enforcement officers across the state. North Carolina is the first state in the nation to offer this one-day, intensive training course. It's an important issue for law enforcement. It encourages enforcement of child passenger safety laws. It will also enable them to educate parents on how best to keep their child safe in a car.

The course teaches the latest and best practices for saving young lives. It will be offered by request in partnership with local community colleges. The curriculum for this course was developed by the Governor's Highway Safety Program in cooperation with state safety experts. The reason this curriculum was developed was because no state, or federal agency, had a one-day course designed for law enforcement. Right now, the response has been overwhelming. More than 2,500 sheriff's deputies and local law enforcement officers have signed up along with more than 1,000 Troopers.

■ "Booze It & Lose It"

While North Carolina is known across the nation as a leader in occupant protection, North Carolina also continues to be on the forefront of efforts to take drunk drivers off our highways. Stopping drunk driving is a priority for the GHSP. "Booze It & Lose It" is successfully targeting the state's impaired drivers.

Law enforcement officers in every county of the state have conducted sobriety checkpoints with "Booze It & Lose It." Since the start of the program, more than 25,000 drunk drivers have been taken off the highways.

One reason "Booze It & Lose It" has been so successful is that North Carolina has some of the nation's toughest anti-drunk driving laws. The General Assembly should be applauded for its leadership in this area. The reduction of the statewide blood-alcohol limit to 0.08 in 1993 and the DWI legislation proposed by the Governor's Task Force on DWI—both passed by the General Assembly—is making a great difference.

In addition, both Governor Hunt and Lt. Gov. Wicker have been long-standing proponents of tough drunk driving laws.

These laws, combined with the "Booze It & Lose It" campaign, are bringing results:

■ North Carolina received a top four ranking in MADD's 1996 "Rating the States" survey. North Carolina was one of four states in the nation to receive a "A-" in the battle against drunk driving.

■ North Carolina was among a handful of states to experience a continued reduction of alcohol-related fatalities in 1995 while the nation as a whole experienced an increase. As a result of "Booze It & Lose It" and years of efforts to stop impaired driving, alcohol-related fatalities dropped to their lowest number this decade. In 1995, there were 392 alcohol-related highway deaths which represent 27.2 percent of all traffic fatalities in the state.

■ "Booze It & Lose It" checkpoints work. Sobriety checkpoints have been shown to be one of the most effective ways to deter impaired driving. A 1994 study showed the "Booze It & Lose It" campaign **cut in half** the number of intoxicated drivers found at late-night checkpoints in North Carolina. Prior to the 1994 campaign, about 2 percent of all night-time drivers passing through checkpoints were found to have a blood alcohol concentration above the legal limit of 0.08 percent. Three months later, the number of legally intoxicated drivers seen at these checkpoints was cut in half to slightly less than 1 percent.

The Governor's Highway Safety Program will continue to coordinate "Click It or Ticket" and "Booze It & Lose It" activities during 1997. We're committed to ensuring North Carolina's roads are the safest in the nation.

Child safety will be a major emphasis during "Click It or Ticket" this year. The first "Click It or Ticket" campaign will start the week of May 19. Law officers across the state will be holding child safety seat

checkups. As I mentioned, we're in the process of getting more than 3,500 law enforcement officers trained in the basics of child passenger safety. We'll also remind parents of the ABCs of child safety—**Air Bag Safety: Buckle Everyone. Children in Back!**

A concentrated "Booze It & Lose It" effort will be held during National Sobriety Checkpoint Week, June 30 through July 6, when we'll increase awareness of anti-drunk driving efforts.

Other upcoming highway safety activities include another "Click It or Ticket" period this fall and another crackdown on DWI prior to the holiday season in December.

■ Governor's Highway Safety Commission

Governor James B. Hunt, Jr. established the Governor's Highway Safety Commission (GHSC) through the signing of Executive Order Number 34. This order allowed the Governor to appoint a body of 15 members that establishes statewide highway safety goals and objectives, reviews proposed highway safety legislation, surveys public opinion, attitudes, and ideas related to traffic safety, and advises the Governor on ways to promote highway safety in North Carolina. The GHSC has a sub-committee, Governor's Council on Young Adult Drivers, which functions in a similar capacity as the GHSC, only the sub-committee focuses on issues related to young driving. (Membership rosters are included in the packet.) The Commission recently recommended a 17-point legislative agenda. The Governor's Highway Safety Program provides staff for the Commission.

North Carolina has come along way since the Highway Safety Act of 1966 was enacted. The Governor's Highway Safety Program has tried to involve more people in our mission and to build partnerships that will save lives on our highways.

I am proud of the work the GHSP and its partners do everyday, and I'm pleased that throughout the years the North Carolina General Assembly has made safe roads an ongoing priority.

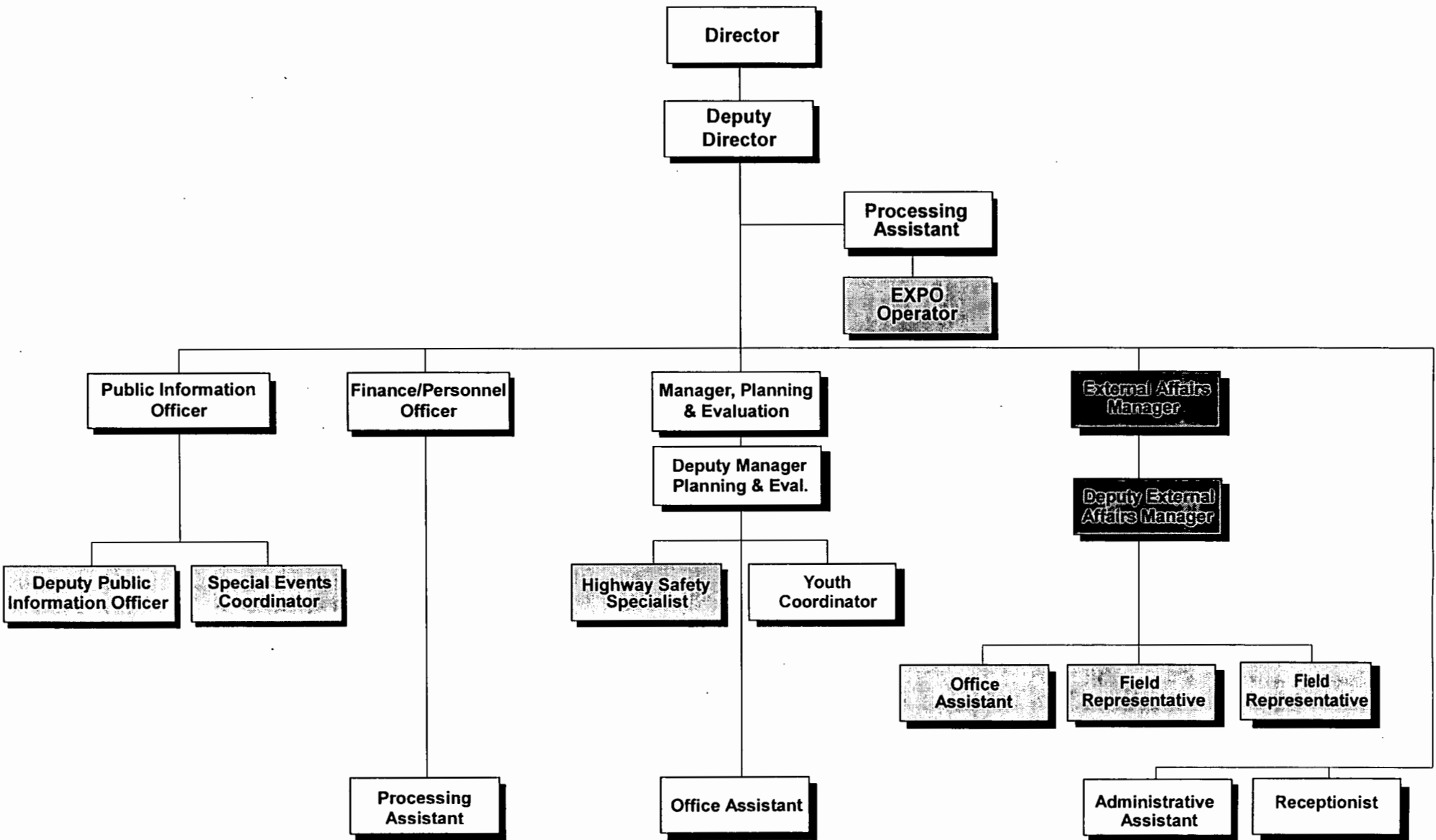
Thank you. I'll be glad to answer any questions you may have.

Below is a summary of the monies the GHSP is responsible for administering in FY 1997. The list also provides the source of funds.

Source	Amount
State of North Carolina	\$328,700
Governor's Highway Safety Initiative	500,000
NHTSA 402 Base	3,476,448
FHWA 402 Base	395,943
NHTSA 403	397,271
NHTSA 410	1,108,933
NHTSA Special 402 Project	50,000
Motor Carrier Assistance Program	246,776
DEHNR Intoxilyzer Transfer Funds	382,446
Total	\$6,886,517

Figure PA-1

Governor's Highway Safety Program
Organizational Structure



 100% Federal Funding

 Private Funding

TX
(S)

DEHNR Intoxilyzer Transfer Funds

Agency	Cameras	PBTs	Amount
Chapel Hill Police	5	4	\$22,500
Cleveland County Sheriff	4	4	18,000
Raleigh Police	10	12	45,000
Cherokee Indian Police	3	0	13,500
Union County Sheriff	4	8	18,000
Hickory Police	0	0	14,720
Kannapolis Police	2	2	10,000
Pineville Police	4	4	26,000
Monroe Public Safety	4	10	23,000
New Hanover Sheriff	0	6	13,440
New Bern Police	6	6	30,432
Maggie Valley Police	0	2	0
Fayetteville Police	0	10	0
Durham Police	7	0	46,500
Oakboro Police	1	1	9,900
Norwood Police	1	1	9,900
Concord Police	2	4	15,800
Albemarle Police	2	0	9,000
Charlotte Police	10	0	40,000
Transylvania Co. Sheriff	2	0	9,000
			\$374,692

"Booze It & Lose It" Totals 1995

	Check-points	Driving While Impaired			Occupant Restraint		Traffic Violations					Criminal Violations								Total All Other Violations
		Total DWI Charges	ALR 10-Day Rev.	Test Refused	Seat Belt Violations	Child Safety Seat	Speeding	DWLR	NOL	Other Traffic Violations Not listed	Total Traffic Violations	Misd. Drug	Felony Drug	Firearms	Stolen Vehicle Recovered	Fugitives Arrested	Other Criminal Violations Not Listed	Total Criminal Violations		
June 29 - July 9	1,068	2,294	1,791	271	5,503	886	12,545	1,974	3,169	8,049	34,420	342	36	39	18	15	250	700	35,120	
July 10-16	455	1,126	910	135	2,883	386	6,638	1,028	1,652	3,936	17,649	166	38	21	10	6	388	629	18,278	
July 17-23	429	1,121	883	165	2,787	379	6,682	996	1,715	4,308	17,988	140	53	36	14	12	397	652	18,640	
Total	1,952	4,541	3,584	571	11,173	1,651	25,865	3,998	6,536	16,293	70,057	648	127	96	42	33	1,035	1,981	72,038	

Western "Click It or Ticket" Totals 1995

Sept. 1-10	264	244	182	51	1,665	111	1,964	240	409	1,403	6,036	29	4	8	2	2	20	65	6,101
Sept. 11-17	189	214	123	23	1,323	85	1,203	186	275	1,054	4,340	28	1	2	0	2	8	41	4,381
Sept. 18-24	147	166	132	22	861	68	1,258	145	231	1,019	3,748	29	4	0	3	2	23	61	3,809
Sept. 25 - Oct. 1	162	191	143	25	1,129	76	1,272	140	255	975	4,038	19	6	2	0	1	17	45	4,083
Total	762	815	580	121	4,978	340	5,697	711	1,170	4,451	18,162	105	15	12	5	7	68	212	18,374

"Click It or Ticket" Totals 1995

Nov. 27 - Dec. 3	483	900	691	128	4,399	384	7,288	995	1,298	4,886	20,150	106	22	26	15	3	390	562	20,712
Dec. 4 - 10	402	802	654	98	4,628	304	6,663	870	1,116	4,922	19,305	102	29	18	8	3	122	282	19,587
Dec. 11 - 17	471	931	749	109	4,334	351	7,783	1,034	1,013	4,877	20,323	105	26	22	15	8	353	629	20,972
Total	1,356	2,633	2,094	335	13,361	1,039	21,734	2,899	3,427	14,685	59,778	313	77	66	38	14	865	1,473	61,271

"Click It or Ticket" Totals Spring 1996

March 23 - 31	576	1,096	841	125	5,381	516	7,161	1,221	1,812	5,796	22,983	681	37	21	15	7	184	945	23,928
April 1-7	557	1,124	913	125	5,377	509	8,810	1,172	1,758	6,007	24,757	166	22	20	12	11	262	493	25,250
Total	1,133	2,220	1,754	250	10,758	1,025	15,971	2,393	3,570	11,803	47,740	847	59	41	27	18	446	1,438	49,178

"Booze It & Lose It" Totals 1996

Total: July 1-7	734	1,423	1,093	179	4,500	605	10,858	1,444	2,483	6,093	27,406	297	34	31	13	11	463	849	28,255

"Click It or Ticket" Totals Fall 1996

Nov. 13-19	344	546	432	80	2,301	192	4,089	603	883	2,815	11,429	71	39	14	4	6	500	634	12,063
Nov. 20-26	419	1,092	880	146	2,678	317	5,742	932	1,321	4,403	16,485	141	24	27	19	8	256	475	16,960
Total	763	1,638	1,312	226	4,979	509	9,831	1,535	2,204	7,218	27,914	212	63	41	23	14	756	1,109	29,023

GHSI Totals 1993-96

	Check-points	Driving While Impaired			Occupant Restraint		Traffic Violations					Criminal Violations								Total All Other Violations
		Total DWI Charges	Alr 10-Day Rev.	Test Refused	Seat Belt Violations	Child Safety Seat	Speeding	DWLR	NOL	Other Traffic Violations Not Listed	Total Traffic Violations	Misd. Drug	Felony Drug	Firearms	Stolen Vehicle Recovered	Fugitives Arrested	Other Criminal Violations Not Listed*	Total Criminal Violations		
Total	17,529	25,665	18,600	2,927	129,744	11,371	154,662	24,149	35,738	84,242	465,571	4,102	769	571	294	245	28,347	34,428	469,326	

*Note: There are "Other Violations Not Listed" from "Click It or Ticket" 1994 and "Booze It & Lose It" 1994 that are not broken down into "traffic" and "criminal." They are included in the "criminal" category.

Source: Numbers compiled by the North Carolina Highway Patrol and reported by law enforcement agencies in all 100 counties.

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"Click It or Ticket" Totals 1993

	Check-points	Driving While Impaired			Occupant Restraint		Traffic Violations					Criminal Violations							Total All Other Violations
		Total DWI Charges	ALR 10-Day Rev.	Test Refused	Seat Belt Violations	Child Safety Seat	Speeding	DWIR	NOL	Other Traffic Violations Not Listed	Total Traffic Violations	Misd. Drug	Felony Drug	Firearms	Stolen Vehicle Recovered	Fugitives Arrested	Other Criminal Violations Not Listed	Total Criminal Violations	
Oct. 4-10	980				11,670	716													2,606
Oct. 11-17	893				8,973	589													2,628
Oct. 18-24	891				8,308	493													1,961
Nov. 8-14	662				7,922	467													2,174
Total	3,426	265	n/a	n/a	36,873	2,265	n/a	583	n/a	n/a	39,986	32	9	9	4	22	n/a	76	9,369

"Click It or Ticket" Totals 1994

July 11-17	967	492			7,665	546	1,126	647	1,061	*	11,537	72	12	19	10	11	2,394	2,518	14,055
July 18-24	1,006	694			7,975	435	2,527	702	1,187	*	13,520	60	8	13	14	15	2,726	2,836	16,356
July 25-31	965	643			6,370	410	3,022	694	1,165	*	12,304	74	32	20	18	8	2,827	2,979	15,283
Total	2,938	1,829	n/a	n/a	22,010	1,391	6,675	2,043	3,413	*	37,361	206	52	52	42	34	7,947	8,333	45,694

"Booze It & Lose It" Totals 1994

Nov. 14-20	382	1,255	978	145	1,977	241	6,407	990	1,405	*	12,275	156	34	35	12	22	4,592	4,851	17,126
Nov. 21-27	410	1,381	1,136	132	2,301	243	10,551	1,096	1,615	*	17,187	187	40	46	21	24	5,670	5,988	23,175
Nov. 28-Dec. 4	441	1,222	957	137	1,962	222	6,994	1,084	1,430	*	12,914	171	48	56	22	7	5,405	5,709	18,623
Total	1,233	3,858	3,071	414	6,240	706	23,952	3,170	4,450	*	42,376	514	122	137	55	53	15,667	16,548	58,924

Governor's Highway Safety Initiative Additional Enforcement (Pulse) 1995

May 1-7	359	649	499	71	1,450	183	3,359	465	916	2,020	9,042	87	22	8	5	6	51	179	9,221
May 15-22	385	718	574	101	1,690	166	3,037	517	899	2,473	9,500	155	52	6	5	9	95	322	9,822
May 29 - June 4	445	720	567	91	2,352	245	3,833	659	1,121	2,824	11,754	88	23	17	4	6	238	376	12,130
June 12-18	427	832	645	101	2,135	213	3,615	800	1,100	3,029	11,724	239	36	16	8	5	193	497	12,221
Aug. 28 - Sept. 4	318	795	626	104	1,627	262	4,140	642	1,033	2,705	11,204	71	25	11	3	5	173	288	11,492
Sept. 11-17	276	607	484	91	1,250	190	3,355	550	846	2,325	9,123	44	9	5	4	2	53	117	9,240
Sept. 27-Oct. 1	317	683	556	85	1,437	199	3,784	598	862	2,433	9,906	57	17	9	5	3	135	226	10,222
Oct. 9-15	335	672	544	93	1,380	183	4,240	569	840	2,743	10,627	89	5	7	6	0	57	164	10,791
Oct. 23-29	370	767	617	94	1,551	199	4,716	573	868	3,147	11,821	98	22	7	5	3	105	240	12,061
Total	3,232	6,443	5,112	831	14,872	1,840	34,079	5,373	8,485	23,699	94,791	928	211	86	45	39	1,100	2,409	97,200

North Carolina's "Booze It & Lose It" is in the second phase of the five-year Governor's Highway Safety Initiative. It is the most extensive DWI law enforcement and education effort in state history and one of the largest impaired driving campaigns ever in the United States.

Since the Governor's Highway Safety Initiative began, nearly 18,000 drivers have been arrested for driving while impaired (DWI) at more than 13,000 checkpoints and roving patrols.

In addition to targeting impaired drivers, law enforcement officers statewide reported other violations including apprehension of car thieves, fugitives from justice and other criminals.

The goal is to reduce the number of impaired drivers, which will result in saving lives, preventing injuries and lowering health care costs.



State of North Carolina • James B. Hunt, Jr., Governor
Department of Environment, Health and Natural Resources
Jonathan B. Howes, Secretary

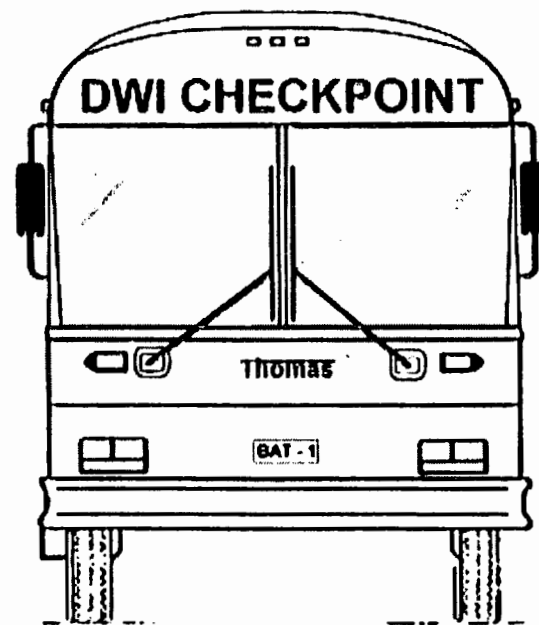
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Forensic Tests for Alcohol Branch
ATTN: B. A. T. Mobile Unit Coordinator
Parker-Lincoln Building
P.O. Box 27687
Raleigh, North Carolina 27611-7687

Forensic Tests for Alcohol

Breath Alcohol Testing Mobile Unit



Assisting Law Enforcement and the Citizens of
North Carolina Through Professional Services
and Education on the War Against Drinking
and Driving

TYPE

Q: What is a Breath Alcohol Testing (B.A.T.) Mobile Unit?

A: The B.A.T. Mobile Unit is a 32 foot long, mobile Intoxilyzer test site. This vehicle has all the necessary equipment to process the drinking driver.

1. The primary purpose of the B.A.T. Mobile Unit is to assist law enforcement agencies both large and small throughout the State during Driving While Impaired (DWI) checkpoints.

2. Equally important the B.A.T. Mobile Unit is used to educate the public and young adults at colleges, universities, high schools about the dangers of drinking and driving.

Q: Who funds the B.A.T. Mobile Unit?

A: The B.A.T. Mobile Unit was funded by the Governor's Highway Safety Program and is coordinated and maintained by the Forensic Tests for Alcohol Branch, DEHNR.

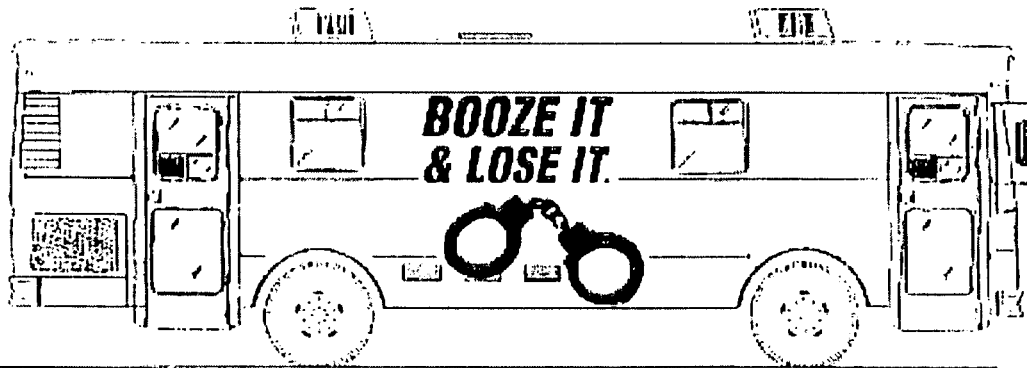
Q: What will the B.A.T. Mobile Unit provide?

A: The B.A.T. Mobile Unit will provide:

1. A B.A.T. Mobile Unit Coordinator who will assist law enforcement agencies with the expertise in setting up DWI checkpoints.

2. Necessary equipment to include:

- two Intoxilyzer 5000 breath test instruments and supplies,
- portable halogen work lights,
- traffic cones,
- DWI checkpoint signs,
- work area for checkpoint coordinator and/or magistrate.
- alcohol screening devices,
- metal detecting search batons, and
- reflective safety vests with police logo.



NOTE: Additional DWI checkpoint equipment may need to be supplied by requesting agency.

3. Effective enforcement component in educating the public at special events, fairs and festivals about the increased enforcement efforts in removing the impaired driver.

4. Educational vehicle to reach young adults at high schools, colleges and universities about alcohol and the dangers of drinking and driving.

Q: How to reserve the B.A.T. Mobile Unit.

A: Contact the B.A.T. Mobile Unit program during normal business hours at (919) 715-6459 to obtain information and to request an application form. You should submit your request 60 days in advance of its anticipated need.

1. Once the application is completed and submitted to the B.A.T. Mobile Unit program, your agency will be notified within 10 working days of whether the B.A.T. Mobile Unit is available.

2. There is no cost for the use of the B.A.T. Mobile Unit.

NOTE: When requesting the B.A.T. Mobile Unit for an educational purpose you may want to contact

your local law enforcement agency to participate in a cooperative program. Your request must specify that the vehicle is to be used in an educational program involving highway safety and/or issues of drinking and driving.

FY 1997 High School Traffic Safety Awareness Programs

<u>School Name</u>	<u>Amount</u>	<u>School Name</u>	<u>Amount</u>
Alexander Central	500	Person High School	500
Andrews High School	500	Plymouth High School	500
Anson Senior High School	500	Polk County High School	500
Bertie High School	500	Purnell Swett High School	500
Bladenboro High School	484	Red Springs High School	500
Blue Ridge High School	500	Reidsville High School	500
Camden County High School	500	Richlands High School	487
Cape Fear High School	500	Richmond Senior High School	500
CB Aycock	500	Robbinsville High School	103
Chapel Hill High School	500	Saint Pauls High School	500
Columbia High School	415	South Caldwell High School	500
Crest High School	295	South East Halifax High School	500
East Bladen High School	500	South View High School	450
East Wilkes High School	500	Southern Alamance High School	375
Eastern Alamance High School	500	Southern Durham High School	500
Elkin High School	500	SouthWest Edgecombe HS	481
Forest Hills High School	500	SouthWest Guilford High School	500
Freedom High School	500	Swansboro High School	500
Greene Central High School	490	T.Wingate Andrews	500
Grrimsly High School	500	Tuscola High School	500
Harnett Central	332	Walter Williams High School	500
Hibriten High School	500	Washington High School	500
Hunter Huss High School	500	West Brunswick High School	500
J.H. Rose High School	500	West Caldwell High School	500
Midway High School	500	West Carteret High School	500
Mitchell High School	500	West Forsyth High School	500
Mt. Pleasant High School	500	West Henderson High School	500
North Surry High School	500	West Wilkes High School	500
North Wilkes High School	500	Western Alamance High School	500
Orange High School	250	Wilkes Central High School	500
Perquimans County High School	500		

Total

\$28,662

IV (S)

NORTH CAROLINA GOVERNOR'S HIGHWAY SAFETY COMMISSION MEMBERS

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Meetings held in 1995-1996-1997

January 11, 1995 - Raleigh, NC
April 26, 1995 - Beaufort, NC
July 26, 1995 - Raleigh, NC
October, 25, 1995 - Asheville, NC

January 24, 1996 - Winston Salem, NC
April 25, 1996 - Charlotte, NC
July 31, 1996 - Goldsboro, NC
October 23, 1996 - Banner Elk, NC

January 22, 1997 - Raleigh, NC



North Carolina

Governor's Council for Young Adult Drivers

Governor's Council for Young Adult Drivers Membership Roster

Council Members

Nancy G. Golson, PhD
Chairperson

William Dashiell, III
Vice-Chairperson

Deanna M. Gouge
Secretary

Dustyn Baker

Pearl Fernandez

Taylor Fitts

Katherine Freeman

Brandon Foss

A. Mark Fountain, PhD

Joshua Gerber

Charles E. Grady, III

Jennifer L. Henderson

Joseph Hurdt

Greg Jarrell

Monica Johnson

Jessica Jones

Artie Kamiya

Charles Martin, Jr.

Meredith Miffleton

Scott Oveholt, PA

Lisa Stafford

Lora Taylor

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IV 617

**NORTH CAROLINA HIGHWAY SAFETY EXPOSITION
EVENTS SCHEDULED
1997**

JANUARY

hold for repairs

FEBRUARY

hold for repairs

MARCH

17-21 -Guilford County -/ 5 high schools

25 - Greensboro / Weaver Education Center

26 - Greensboro / Southeast High School

APRIL

2 - Rockingham / Richmond Senior High School

3-4 - Durham / Northgate Mall

5 - Laurinburg / Public Health Fair

7-9 - Richmond County High School

10-11 - Cleveland County / County Fair

12-14 - Wilmington / Azelea Festival

14-23 - Omaha, Nebraska / Omaha DOT

24 - Swansboro / Swansboro High School

25 - Farmville / Dogwood Festival

26 - Chadbourn / Strawberry Festival

29 - Washington / Beaufort Community College

30 - Statesville / West Irdell School

MAY

1 - Rockingham / Reidsville High School

2 - Silva / Smokey Mt. High School

3-4 - Statesville / Statesville PD

6 - Rockingham / Richmond Senior High School

10 - Aurora / Family Health Fair

14 - Lincolnton / South Fork Park

16-18 - Burlington / Balloon Festival

21 - Carthage / Moore County Health Fair

24-25 - Lillington / Lillington PD

29-30 - Burgaw / Pender County High School

31 - Wallburg

JUNE

6 - New Bern -/ New Bern High School

7 - Elizabeth City / Motor Fair

9-11 - Camp Lejeune / Marine Corp Base

18 - Shelby / Alexander Mills Town Hall

JULY

4-6 - West Jefferson / Christmas in July

7-15 - Minn / Minn DOT (tentative)

AUGUST

5 - Statesville / National Night Out

16 - Elizabeth City / Southgate Mall

23 - Burlington, Elon College

30 - Locust / Fire Department

SEPTEMBER

6-7 - Ayden / Collard Festival

13 - Bunn / Firemans Day

23-24 - Burke County Fair

25-26 - Union County Fair

27-28 - Hamstead / Spot Festival

OCTOBER

8 - Oxford / Granville Medical Center

11 - Warrensville / October Fest

14-28 - Raleigh / NC State Fair

29-31 - Charlotte / Auto Dealers Assoc.

NOVEMBER

1 - 3 - Charlotte / Auto Dealers Assoc.

5 - Murfreesboro / Chowan College

29 - Wrightsville Beach / Festival in the Park

IV (4)

**NORTH CAROLINA HIGHWAY SAFETY EXPOSITION
EVENTS SCHEDULED
1996**

JANUARY

12 - Jacksonville / New river Air Base

FEBRUARY

5-6 boiling Springs / Gardner Webb University

9 - West Wilkes High School

15 - Fayetteville / Fort Bragg

21-22 - Greenville

25-26 - Chapel Hill / Student Union - UNC Chapel Hill

MARCH

2 - Bladenboro

4 - Southwest Guilford High School

11-14 - Wilkes County

15 - Fayetteville / Fort Bragg

16 - New Bern

20 - Goldsboro

21-22 - Camp Lejeune

23 - Chapel Hill / Crown Honda Volvo

25 -26 - Union County

27-29 - Western Guilford / Jamestown / Greensboro

30 - Whiteville / Health Fair

APRIL

1-2 - Greensboro

4 - Rocky Mount / Rocky Mount Senior High

5 - Snow Hill

9 - 10 - Greenville / ECU

11-14 - Wilmington / Azalea Festival

16 - Snow Hill / Greene Central High School

17 - Angier / Harnett Central High School

18 - Harnett County / Triton High School

19 - Winston Salem / Wake Forest University

20 - Jacksonville / Camp Lejeune

25 - Swansboro / Swansboro High School

26 - Farmville / Dogwood Festival

27 - Norwood / Arbor Day

MAY

1-2 - Fort Bragg / simmons Air Field

4 - Graham / Alamance County Rescue

5 - Carolina Beach / Kure Beach

10-11 - Statesville

12 - Burlington / Balloon Festival

13 - Statesville

14-15 - Burlington / Alamance Community College

18 - Aurora / PCS Phosphate

20 - Creswell / Creswell High School

21-24 - Waynesville / Tuscola High School

27 - Aurora / Fossil Festival

JUNE

Hold

JULY

4 -6 West Jefferson

AUGUST

10 - Wallace / Rescue Squad

17 - Elizabeth City

24 - Wilkes County / Apple Festival

31 - Louisburg

SEPTEMBER

11-15 Nashville TN / NAGHSR

16-19 - Fayetteville / Cumberland County Fair

20 21- Raeford / Turkey Festival

23 -25 - Union County / 2 high schools

26-27 - Shelby / Cleveland County Fair

28-29 Hampstead / Spot Festival

OCTOBER

1-4 - Augusta GA / FHWA

5-Swan Quarter / Hyde County Fair

7-13 - Greenville / Pitt County Fair

16 - 28 - Raleigh / NC State Fair

30-31 - Boiling Springs / Gardner Webb University

NOVEMBER

1-2 - Ansonville / Fire Department

3 - Wilmington / Laney High School

5 - Brunswick County / High School

6 - Goldsboro / Wayne County Oil Company

7 - Greensboro / Page High School

12 - Raleigh / Kerr Scott Bldg.

14 - Roxboro / CP&L

15-18 - Charleston SC / US Navy Base

19 - Greenville / Proctor & Gamble

11/97

FY 1997
PROGRAM AREA COST SUMMARY

GHSP PLANNING & ADMINISTRATION

<u>APPLICANT</u>	<u>APPROVED AMOUNT</u>
GHSP P& A	\$297,200
Project Director Workshop	3,500

COMMUNITY TRAFFIC SAFETY PROGRAMS

<u>APPLICANT</u>	<u>APPROVED AMOUNT</u>
Technology Exchange	\$20,000
GHSP Exposition	50,000

SAFE COMMUNITIES

<u>APPLICANT</u>	<u>APPROVED AMOUNT</u>
DEHNR Injury Control	\$185,500

ALCOHOL INVOLVEMENT

<u>APPLICANT</u>	<u>APPROVED AMOUNT</u>
Charlotte-Mecklenburg PD	\$173,000
HSRC Booze It Study	36,500
HSRC Quick Response	54,900

SECTION 410 SUPPLEMENTAL

<u>APPLICANT</u>	<u>APPROVED AMOUNT</u>
GHSI Coordinator	\$30,000
Law Enforcement Coordinators	120,000
GHSI Educ Support	325,000
Travel	40,000
Judicial Training	30,000
Prosecutor Training	30,000
SFST-Community Colleges	30,000
Checkpoint Equip (DEHNR)	74,400
Checkpoint Equip (SHP)	170,000
Cherokee	54,700
DMV Enforcement	20,000
DEHNR Research Assistant	116,100

YOUTH ALCOHOL

<u>APPLICANT</u>	<u>APPROVED AMOUNT</u>
ALE Cops in Shops	50,000
HSRC Middle School	44,200
HSRC College Study	36,100
GHSP Youth Programs/High Schools	200,000

POLICE TRAFFIC SERVICES

<u>APPLICANT</u>	<u>APPROVED AMOUNT</u>
Monroe	\$77,900
Chapel Hill	136,600
New Bern	69,400
Raleigh	279,200
Washington	29,200
Maggie Valley	62,200
Nags Head	12,500
SHP Speed Enf	200,000
NCJA Crash Invest	218,000
Hickory	235,500
Union County	280,400
Greenville	154,200
Cary	3,300

OCCUPANT PROTECTION

<u>APPLICANT</u>	<u>APPROVED AMOUNT</u>
GHSI Educ Support	\$227,000
DOI Child Safety Seats	106,600
Technology Exchange	20,000

MOTORCYCLE SAFETY

<u>APPLICANT</u>	<u>APPROVED AMOUNT</u>
NCREP Training	\$37,500

ROADSIDE SAFETY

<u>APPLICANT</u>	<u>APPROVED AMOUNT</u>
P&A	\$28,000
DOT Workshops	15,000
Operation Lifesaver	33,000
GHSP Exposition	50,000
Bicycle Safety	39,000
Bicycle Crash Study	15,000
Technology Exchange	20,000
HSRC Speed Limit	23,200
TSSMU Crash Facts	63,800
Durham Total Station	12,000
DOT CARAT PI&E	55,000

**NCDOT
Aerial Photography and Photogrammetric Mapping Program
March, 1997**

The NCDOT Photogrammetry Unit is involved with all phases of Transportation Improvement Program (TIP) project development from the earliest feasibility and planning stages throughout the design, construction, and maintenance activities.

- Aerial photography and photogrammetric mapping form the primary tools used for each step in the project development process.
- Aerial photography used for TIP projects is obtained by utilizing sophisticated aerial mapping camera systems that are calibrated to precise standards by the United States Geological Survey every three (3) years.
- Typically, aerial photography is obtained by utilizing NCDOT-owned aircraft and flight crews provided by the Aviation Division and aerial cameras and photographers provided by the Photogrammetry Unit.
- Aerial photo missions to support the TIP have increased over the past several years:

1993 - 159 missions	1995 - 177 missions	1997 - 205 missions
1994 - 165 missions	1996 - 189 missions	

These missions do not include another fifty (50) or so flights each year for emergency and miscellaneous projects such as hurricanes, construction earthwork projects, potential economic development projects, etc.
- Almost all of these TIP photo missions are flown during the December through April time period because there is less foliage to obscure the earth's surface and more accurate data can be collected from the photography.
- Two (2) photography planes and crews are needed during that period to complete photo requirements due to inclement weather (must have sunshine, no clouds) and a shortened high sun window (sun angle is lower in winter causing longer shadows and less illumination in early morning and late afternoon hours).
- The logistics and expense involved with keeping a contractor's equipment and personnel on standby throughout that period could be extremely cost-prohibitive and late deliveries would result in delays in project design and construction.
- We do contract for very low-altitude (approx. 300 ft. above ground) helicopter photography for projects requiring high precision in heavy traffic areas such as interstate highways and some urban streets; - nineteen (19) projects over the last three (3) years for approx. \$381,000.
- Data collected photogrammetrically is accomplished much more economically and quickly (and in some cases more accurately) than having to complete all of the mapping information by field survey methods.

- Aerial photography and mapping are provided in the form of aerial mosaics, topographic contour maps, planimetric maps with plotted physical features, digital CADD files for plan sheets, digital terrain model (DTM) files for design, and cross sections for construction pay quantities.

With the adoption of the Highway Trust Fund in 1989, requirements for photogrammetric services increased tremendously, as did the planning, design, construction, and maintenance activities throughout the Division of Highways. In order to meet the various TIP schedules, the services of private engineering firms, particularly photogrammetric mapping companies, have been utilized to supplement the Photogrammetry Unit's workforce in completing the mapping requirements in a timely manner.

Contracts administered by the Photogrammetry Unit are for "Limited Photogrammetric Services" and include engineering data such as topographic, planimetric, and cadastral mapping for planning and design, and base plan sheets with DTMs or cross sections for design. PEF usage since 1990 include:

1990	Approx. 15 - 20% of photogrammetric mapping
1991	Approx. 16% of photogrammetric mapping
1992	Approx. 15% of photogrammetric mapping
1993	Approx. 26% of photogrammetric mapping
1994	Approx. 26% of photogrammetric mapping
1995	Approx. 31% of photogrammetric mapping
1996	Approx. 20% of photogrammetric mapping

Based on cost data accumulated during three (3) contract years (1992/93, 1993/94, and 1994/95), it costs approximately 31.1% more to contract photogrammetric mapping projects than to perform them in-house. These calculations are based on negotiated contract costs, in-house estimates based on negotiated man-hours, standard overhead rates, miscellaneous direct cost items (per diem, materials, etc.), and the cost for administering the projects.

Unanticipated priority changes are difficult and expensive to accomplish by contract. It is necessary that NCDOT maintains the capability for timely response to emergency situations.

JOINT APPROPRIATIONS TRANSPORTATION SUBCOMMITTEE

Minutes

March 11, 1997

Room 1327 LB

8:00A.M.

The Joint Appropriations Transportation Subcommittee met Tuesday morning, March 11, 1997 at 8:00A.M. in Room 1327 of the Legislative Building. Senator Jordan chaired the meeting. Four of the five Senate members attended. The following House members were present:

Rep. Joanne Bowie	Rep. Jerry Dockham
Rep. Bobby Barbee	Rep. Jim Gulley
Rep. Thomas Hardaway	Rep. Bill Hiatt
Rep. Drew Saunders	Rep. Ronnie Sutton

Senator Luther Jordan chaired the meeting. Senator Jordan introduced Janice Faulkner, Commissioner of Division of Motor Vehicles. Commissioner Faulkner spoke very briefly regarding teen licenses and public affairs. Rep. Bill Hiatt said the public affairs office needs to be beefed up.

Mr. Karl Knapp, staff, handed out DMV budget, codes 0529, 0520, 0530, 0540, 0550, 0560, and 0570 with DMV comments per line item.

Carol Howard of DMV Vehicle Registration said North Carolina has 6 million registered vehicles.

Mr. Knapp continued with the budget. He asked DMV to justify the need for PC training. DMV said they have new PC's and employees do not know how to use them. This item, 2250, was flagged for later discussion. Regarding Professional fees, DMV said they are needed for mail renewal software. The increase was not understood since the process has been in place for awhile. This item, 2310, was also flagged for later discussion.

Senator Reeves asked if it would be up to the committee to decide whether to increase branch agents fee in the continuation or expansion budget. Mr. Knapp said it would be up to the committee. The Branch Agents are under contract at the rate of \$1.20 per transaction. There are 129 Branch Agents.

Rep. Saunders said he did not think taxpayers should pay postage for personalized tags. Mr. Knapp said the personalized plate program should be self sufficient.

Regarding line 2330, Senator Rucho said that 24.6% is dealing with MIS, and he wanted to know what it had been in the past two years. Mr. Knapp said there has been some increase in the past two years but a decrease in certain one time expenses. STAR money is no longer in the continuation budget.

Regarding line 2342, Repairs and Service, Rep. Bowie questioned the derivation of the Authorized Budget. Comm. Faulkner said that when warranties cease on equipment, DMV has to pick up the cost for repairs. Rep. Sutton wanted to know why there was a drop in line 2351 for 1994-96 (insurance on items owned by DMV). Comm. Faulkner said the decrease was due to the age of the equipment.

Mr. Knapp continued, line 2352, could be considered for cuts. Senator Rucho wanted to know the original costs for the STAR program. Mr. Knapp said he would find out.

Carol Howard, in response to a question by Rep. Dockham about insurance, said newer equipment. She said they will have to get back to the committee regarding what is insured.

Mr. Knapp continued through the budget: Re line 2411, Rep. Sutton wants to know if tests are being printed in Spanish. Comm. Faulkner said no.

Senator Jordan wanted the cost of certification for single officers. Mr. Knapp said that the cost is fairly minimum and have probably been absorbed in the Enforcement division.

Re line 2413, Carol Howard said the new equipment is sensitive and costs more to operate.

Re line 2443, DMV was requested to do costs projections. Rep. Bowie said 2.5 million people are projected in North Carolina. Ms. Howard said the increase is projected at 5%. Mr. Knapp referred to page 182 in Volume 6 of the 1997-99 North Carolina Budget (Transportation) for more information concerning Vehicle Registration.

Mr. Knapp moved on to line 2518, saying increase is due to need for fax machines. Senator Rucho wanted to know where is the savings in implementing STARS. Mr. Knapp said in reducing personnel. Comm. Faulkner said 100 positions were gone by July i. The backlog of 120,000 registrations was taken care of by temporary employees. Once the backlog is gone the temporary employees will be reduced to 20% of current level. Rep. Bowie congratulated DMV for handling the backlog.

Rep. Saunders asked about customer service representatives. Carol Howard said they are trying to cut the waiting time in vehicle registration assistance.

Mr. Wayne Hurter of DMV spoke regarding Driver Licensing, item 0530. He said 2.2 million licenses were issued last year and they did voter registration as well. He continued that mobile licensing unit is now operating in the eastern part of the state. Mr. Knapp referred to page 185 in the state budget book for performance measures. Mr. Knapp also reminded the committee that money has to be appropriated for graduated licenses. On page 185, line 1030 is for temporary employees. Comm. Faulkner said the temporary employees greet public but that line will decrease as she plans to reduce the temporary staff. In response to a question by Sen. Carpenter, Mr. Hurter stated that

projections were based on number of customers seen, not the number of licenses issued. Again in response to Sen. Carpenter, Mr. Hurter said the graduated licenses would increase transactions because learner permits will be required and because of the 3rd stage in the graduated licensing process.

Mr. Knapp proceeded with the items saying that line 2323, postage could be cut. Mr. Knapp went on through lines to 2354, Payments To Other State Agencies. Mr. Hurter said that the Division of Environmental Health and Natural Resources had not filled all positions which were high salaried which caused a decrease. He said all of the payments to other state agencies go to DEHNR. Sen. Reeves wanted more information. Mr. Kenneth Levenbrook, staff attorney, referred Sen. Reeves to the library for a copy of the interim study of this program.

Items 2410 and 2411 were flagged, as well as 2473. Sen. Jordan asked is it better to purchase or lease copiers. Mr. Hurter said it is standard practice to purchase and get service contracts for about \$1500 total cost.

Item 2524 is Driver License Photo Equipment which will increase do to the new digitized license. Rep. Spoke about his experience obtaining the new license and wondered what is the bar code. Mr. Hurter said the bar code contains all information that is on the front of the license and can be used by scanners to prevent errors.

In response to a question by Rep. Barbee, all full time DMV offices have fax machines. Rep. Barbee pointed out that the DMV in Stanly County had none.

Rep. Dockham said that regarding item 2354, money for DEHNR shows as receipt in the DEHNR budget. Physicians are paid by DEHNR and the receipts offset this cost.

Rep. Sutton wanted to know if anyone was looking into the legality of troopers getting driving records. Mr. Hurter said the troopers cannot get an accurate record but highway patrol can obtain them through their computers.

Mr. Levenbrook, said that the study he referred to determined that it was best to have doctors remain in DEHNR budget and figure the actual cost.

Rep. Hardaway said we have gone to a 5 year renewal period and therefor the effect will be greater in 1999. Will that cause a loss of revenue. Mr. Knapp said yes and that will be addressed in committee.

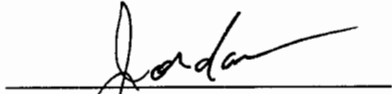
Rep. Hiatt asked Mr. Hurter if money spent for greeters could be better spent on examiners. Rep. Sutton wondered if any Spanish speaking examiners were available. Mr. Hurter said there are three in Charlotte and one in Winston Salem who speak Spanish and about four traveling interpreters. He also mentioned that the Driver's Manual has been published in Spanish.

Regarding budget code 0540, School Bus and Traffic Safety. DMV certifies driving schools in the state and they operate a film library. It had been suggested that this area could be privatized but no evaluation has been done regarding costs. The fact of older drivers starting in 1988 had reduced school bus accidents but they are now beginning to increase because there is more busing. There have been no fatal bus accident in two years. Due to the low wages paid the bus drivers, there is a shortage of them.

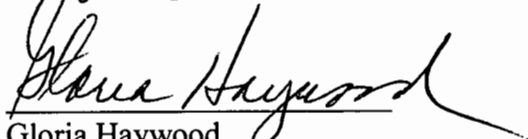
Page 189 in budget book, line 2342 is flagged. Regarding item 2352, the cost of state agencies using state vehicles will increase. Mr. Knapp continued until completion of budget code 0540.

Mr. Knapp handed out Funding Expenditures for Entire State 1987-1996, which had been requested at a previous meeting.

At 10:00A.M. Senator Jordan adjourned the meeting.



Senator Luther Jordan
Senate Chairperson



Gloria Haywood
Senate Committee Clerk

JOINT APPROPRIATIONS
TRANSPORTATION SUBCOMMITTEE

March 11, 1997

Agenda

1. Continuation Budget Review

Division of Motor Vehicles
Budget Code (84260)

Karl Knapp, Staff

0510 COMMISSIONER'S OFFICE

Includes expenses for the Commissioner's Office, Public Affairs, Safety, and Citizen Affairs.

2236-40 EMPLOYEE TRAVEL AND SUBSISTENCE

1996-97 Authorized	\$53,856
1995-96 Actual	\$33,764
1994-95 Actual	\$47,170
1993-94 Actual	\$53,775
1992-93 Actual	\$25,877

DMV COMMENTS - During most of the 1995-96 fiscal year DMV was without a Commissioner and Assistant Commissioner, therefore, expenses were less than authorized.

2310 PROFESSIONAL FEES

1996-97 Authorized	\$ 68,296
1995-96 Actual	\$ 577,476
1994-95 Actual	\$ 3,336
1993-94 Actual	\$1,293,140
1992-93 Actual	\$ 656,452

Although the 1996-97 authorized level is below 1995-86 actual levels, expenditures in this area have been erratic, and there may be room for reduction.

DMV COMMENTS: Expenses for last year and the budget for this year are shown below:

Item	95-96	96-97
Commissioner's Budget	---	\$13,296
DMV Retreat	\$6,000	---
Wells Fargo	\$4,000	\$4,000
Project management for VRU installation	\$31,482	---
Public Affairs (graphic designs, videos, etc.)	\$9,289	\$51,000
Vehicle Registration Automation Project	\$526,705	---
Total	\$577,476	\$68,296

2341 REPAIRS & SERVICE TO BUILDING

1996-97 Authorized \$ 750
1995-96 Actual \$22,921
1994-95 Actual \$29,179
1993-94 Actual \$21,874
1992-93 Actual \$23,441

DMV COMMENTS - This line item is for the annual DMV landscape contract with DOA. Funds to cover this expense are transferred from employee parking fees, which are shown as receipts in Object 0953. Neither the contract expenses or the receipts are currently budgeted. Both lines could be increased by \$22,000, for a net budget change of \$0.

2354 PAYMENTS TO OTHER STATE AGENCIES

1996-97 Authorized \$426,267
1995-96 Actual \$417,069
1994-95 Actual \$396,085
1993-94 Actual \$340,438
1992-93 Actual \$305,511

DMV COMMENTS: These funds are for Attorney General staff and DOA security services. The 1995-96 expenses shown below:

Salaries for Attorney General staff	\$306,270
DMV security services (DOA)	\$110,799
Total	\$417,069

The increase between 1995-96 and 1996-97 represents increases in the salary costs of Attorney General staff employees and the cost of the DOA security contract.

2411 PRINTING AND BINDING

1996-97 Authorized \$197,566
1995-96 Actual \$193,683
1994-95 Actual \$135,940
1993-94 Actual \$273,849
1992-93 Actual \$ 48,149

DMV COMMENTS - These are funds for routine purchases of public affairs brochures such as the Newcomer's Guide, Trucking handbooks, VRU brochures, School Bus Safety Books, and safety handout materials.

0520 VEHICLE REGISTRATION

Vehicle Registration is responsible for all equipment and supplies for the 128 Branch Agents, who employ more than 500 individuals, as well for the 433 DMV employees

2236 EMPLOYEE IN-STATE SUBSISTENCE

1996-97 Authorized	\$43,690
1995-96 Actual	\$20,890
1994-95 Actual	\$33,836
1993-94 Actual	\$32,185
1992-93 Actual	\$42,478

DMV COMMENTS - Authorized funding level is necessary to fund travel costs associated with training of field personnel on the STARS System and for STARS equipment deployment to the contract offices.

2238-39 EMPLOYEE OUT-OF-STATE TRAVEL AND SUBSISTENCE

1996-97 Authorized	\$10,716
1995-96 Actual	\$ 3,944
1994-95 Actual	\$ 3,730
1993-94 Actual	\$10,964
1992-93 Actual	\$ 807

DMV COMMENTS - Staff will be making more trips to other states to share and learn alternative methods to offer Vehicle Registration services.

2250 TRAINING - DATA PROCESSING

1996-97 Authorized	\$5,000
1995-96 Actual	\$ 0
1994-95 Actual	\$ 610
1993-94 Actual	\$ 540
1992-93 Actual	\$ 429

DMV COMMENTS - The section will need to train employees on new data processing equipment funded from the DOT Computer Reserve.

2310 PROFESSIONAL FEES

1996-97 Authorized	\$60,000
1995-96 Actual	\$19,118
1994-95 Actual	\$ 3,336
1993-94 Actual	\$24,469
1992-93 Actual	\$34,781

DMV COMMENTS -Authorized funding level is necessary to cover costs associated with the customizing, coding and software revisions required on the remittance processors that are used to process mail order renewals.

2323 POSTAGE

1996-97 Authorized	\$113,389
1995-96 Actual	\$ 92,874
1994-95 Actual	\$ 94,341
1993-94 Actual	\$ 89,095
1992-93 Actual	\$ 90,043

DMV COMMENTS - Authorized funding level is necessary to cover special mailings to Branch Agents and taxpayers regarding STARS, as well as the costs for the Personalized Plate Section.

2330 RENTAL OF LAND & STRUCTURE

1996-97 Authorized	\$2,500
1995-96 Actual	\$ 0
1994-95 Actual	\$6,750
1993-94 Actual	\$2,407
1992-93 Actual	\$9,381

DMV COMMENTS - To prevent loss of service to the public, funds are needed to cover lease space in the event DMV must operate a branch agent office when a branch agent gives up their contract.

2342 REPAIRS & SERVICE TO EQUIPMENT OTHER

1996-97 Authorized	\$136,664
1995-96 Actual	\$109,265
1994-95 Actual	\$123,563
1993-94 Actual	\$119,561
1992-93 Actual	\$117,341

DMV COMMENTS - Authorized funding level is necessary to cover cost increases for additional equipment added to service and maintenance contracts, as well as price increases on the contracts.

2347 REPAIRS & SERVICE TO DP EQUIP EQUIPMENT

1996-97 Authorized	\$413,070
1995-96 Actual	\$288,108
1994-95 Actual	\$410,710
1993-94 Actual	\$384,470
1992-93 Actual	\$372,826

DMV COMMENTS - During 95-96 new equipment was purchased for used under STARS. Service and maintenance agreements on the old equipment were canceled. Authorized level of funding is required to cover warranty service contracts on the more than 2,500 pieces of equipment purchased for STARS (display stations, printers, bar code readers), and to cover the annual cost of tax valuation database updates (\$60,000).

2351 INSURANCE & PREMIUM BOND

1996-97 Authorized	\$41,043
1995-96 Actual	\$ 8,844
1994-95 Actual	\$ 9,042
1993-94 Actual	\$41,043
1992-93 Actual	\$41,043

DMV COMMENTS - Premiums for 95-97 were paid during a transition to STARS. Value of new equipment is higher, therefore, when replacement information is presented to State Department of Insurance, premium amounts will be adjusted upward.

2352 DUES SUBSCRIPTIONS PROMOTION & ADVERTISING

1996-97 Authorized	\$10,000
1995-96 Actual	\$ 6,986
1994-95 Actual	\$ 3,851
1993-94 Actual	\$ 4,466
1992-93 Actual	\$ 4,413

DMV COMMENTS - Authorized funding level necessary to fund promotional materials for STARS implementation.

2410 OFFICE SUPPLIES

1996-97 Authorized	\$350,313
1995-96 Actual	\$299,910
1994-95 Actual	\$435,953
1993-94 Actual	\$268,280
1992-93 Actual	\$263,996

DMV COMMENTS - 1996-97 authorized funds include expansion funds of \$90,000 granted in the 1995 Short Session for supplies (toner, bond paper, etc.) used by the Branch Agents in the laser printers required under STARS.

2411 PRINTING AND BINDING

1996-97 Authorized	\$125,800
1995-96 Actual	\$114,610
1994-95 Actual	\$ 60,269
1993-94 Actual	\$273,849
1992-93 Actual	\$ 50,257

DMV COMMENTS - Due to projected increase in vehicle sales, authorized funding level necessary to cover increased need of title forms and secure forms.

2412 UNIFORMS, ARMS, ETC.

1996-97 Authorized	\$1,409
1995-96 Actual	\$ 0
1994-95 Actual	\$ 0
1993-94 Actual	\$ 0
1992-93 Actual	\$ 0

DMV COMMENTS - Funds to purchase ammunition used for firearms recertification by field supervisors who are law enforcement certified.

2413 SOFTWARE - DATA PROCESSING

1996-97 Authorized	\$60,000
1995-96 Actual	\$31,403
1994-95 Actual	\$26,063
1993-94 Actual	\$ 6,184
1992-93 Actual	\$27,186

DMV COMMENTS - The authorized level of funding is necessary to purchase software updates and to replace the IC cards for 566+ Kyocera Laser printers used with STARS.

2443 LICENSE PLATES & STICKERS

1996-97 Authorized	\$3,935,514
1995-96 Actual	\$3,373,581
1994-95 Actual	\$3,447,648
1993-94 Actual	\$2,636,163
1992-93 Actual	\$2,789,695

DMV COMMENTS - Authorized level include expansion funds granted in the 1995 Short Session to cover sales of new plates. Expenses are dependent upon consumer demand. Any available receipts and excess funds in the division were used to cover expenses above what is budgeted

2473 PHOTOGRAPHIC SUPPLIES

1996-97 Authorized	\$103,000
1995-96 Actual	\$ 66,253
1994-95 Actual	\$ 64,328
1993-94 Actual	\$ 65,796
1992-93 Actual	\$ 85,760

DMV COMMENTS - Authorized funding level is necessary to procure consumables and supplies for the two new image scanners purchased for STARS.

2511 OFFICE FURNITURE & EQUIPMENT

1996-97 Authorized	\$63,657
1995-96 Actual	\$39,444
1994-95 Actual	\$39,758
1993-94 Actual	\$22,631
1992-93 Actual	\$39,298

DMV COMMENTS - Authorized funding level is necessary for the procurement of office cubicles to house field support and additional customer service representatives.

2518 PURCHASE OF COMMUNICATION EQUIPMENT

1996-97 Authorized	\$41,025
1995-96 Actual	\$ 5,081
1994-95 Actual	\$10,703
1993-94 Actual	\$ 8,422
1992-93 Actual	\$ 8,206

DMV COMMENTS - Authorized funding level is necessary to purchase fax equipment and additional telephone equipment for new field support and customer service representatives.

0530 Driver License

2323 POSTAGE

1996-97 Authorized	\$21,210
1995-96 Actual	\$ 7,733
1994-95 Actual	\$ 9,984
1993-94 Actual	\$17,071
1992-93 Actual	\$17,832

DMV COMMENTS - Authorized funding levels are not required for current operations. Plan to realign budget and transfer \$11,000 to 2322 Telephone and Telegraph, where requirements have increased due to the addition of 60 fax machines field offices and the additional telephone lines required in Driver License offices for SADLS.

2330 RENT OF LAND AND STRUCTURE

1996-97 Authorized	\$406,464
1995-96 Actual	\$285,119
1994-95 Actual	\$239,927
1993-94 Actual	\$231,258
1992-93 Actual	\$220,272

DMV COMMENTS - Authorized funds include expansion funds of \$110,083 granted in the 1995 Short Session for increased lease costs for several offices, including a new office in Mecklenburg County.

2342 REPAIRS AND SERVICE TO EQUIP OTHER

1996-97 Authorized	\$63,000
1995-96 Actual	\$52,916
1994-95 Actual	\$44,333
1993-94 Actual	\$55,614
1992-93 Actual	\$51,444

DMV COMMENTS - Authorized funding level necessary to cover agreement inflation increases and costs increase due to additional equipment added to agreements.

2347 REPAIRS AND SERVICE - DP EQUIPMENT

1996-97 Authorized	\$29,000
1995-96 Actual	\$12,770
1994-95 Actual	\$11,260
1993-94 Actual	\$13,219
1992-93 Actual	\$11,513

DMV COMMENTS - Authorized funding level necessary to cover inflation increases and costs increases due to additional equipment added to agreements.

2354 PAYMENTS TO OTHER STATE AGENCIES

1996-97 Authorized	\$457,447
1995-96 Actual	\$331,605
1994-95 Actual	\$378,672
1993-94 Actual	\$465,042
1992-93 Actual	\$364,442

DMV COMMENTS - Expenses by DHNR for the Medical Review Program. Vacancies in their staff resulted in a decrease of expenses billed to DMV.

2410 OFFICE SUPPLIES

1996-97 Authorized	\$151,840
1995-96 Actual	\$ 64,021
1994-95 Actual	\$ 97,933
1993-94 Actual	\$104,486
1992-93 Actual	\$136,899

DMV COMMENTS - In past years, printing of certain manuals were charged to this object code, but now are charged to object 2411 Printing. Plan to realign budget and transfer \$70,000 to Printing and Binding.

2411 PRINTING AND BINDING

1996-97 Authorized	\$182,825
1995-96 Actual	\$117,165
1994-95 Actual	\$192,919
1993-94 Actual	\$139,400
1992-93 Actual	\$ 87,265

DMV COMMENTS - Due to increased demand and a 65% increase in paper costs additional funding is needed to print Driver License handbooks.

2469 MOTOR VEHICLES OPERATIONS

1996-97 Authorized	\$24,938
1995-96 Actual	\$ 1,384
1994-95 Actual	\$ 1,544
1993-94 Actual	\$ 2,658
1992-93 Actual	\$ 1,980

DMV COMMENTS - Authorized funds include expansion funds of \$22,000 granted in the 1995 Long Session for the mobile licensing units.

2473 PHOTOGRAPHIC SUPPLIES

1996-97 Authorized	\$5,000
1995-96 Actual	\$ 0
1994-95 Actual	\$ 0
1993-94 Actual	\$2,690
1992-93 Actual	\$2,665

DMV COMMENTS - Plan to realign budget and transfer \$5,000 to 2411 Printing and Binding.

2510 DATA PROCESSING EQUIPMENT

1996-97 Authorized	\$147,256
1995-96 Actual	\$ 48,000
1994-95 Actual	\$ 11,234
1993-94 Actual	\$ 35,441
1992-93 Actual	\$ 27,386

DMV COMMENTS - Authorized funds include expansion funds of \$50,600 granted in the 1996 Short Session for Driver License office improvements. Section is in the processing of standardizing computers used by staff.

2511 OFFICE FURNITURE AND EQUIPMENT

1997-98 continuation level is \$60,089 above 1995-96 actual level, even after one-time increases for 1996-97 are removed.

DMV COMMENTS - Additional funds in 1997-98 are included to replace microfilm and bar code equipment and to replace copiers in 12 field offices.

2524 DRIVER LICENSE PHOTO EQUIPMENT

1996-97 authorized funds included expansion funds granted for the costs increased associated with digitized imagery.

0540 SCHOOL BUS AND TRAFFIC SAFETY

2342 REPAIRS & SERVICE EQUIPMENT

1996-97 Authorized	\$4,841
1995-96 Actual	\$1,561
1994-95 Actual	\$2,170
1993-94 Actual	\$3,696
1992-93 Actual	\$2,327

DMV COMMENTS - Due to a change in equipment usage, the level of authorized funding is not needed for this purpose. Plan to realign the budget and transfer \$2,000 to the transportation object code 2237.

2352 DUES, SUBSCRIPTIONS, PROMOTIONS, ADVERTISING

1996-97 Authorized	\$47,200
1995-96 Actual	\$36,267
1994-95 Actual	\$29,028
1993-94 Actual	\$35,589
1992-93 Actual	\$69,230

DMV COMMENTS - At this time, film and video costs do not warrant the authorized level of funding. Plan to realign the budget and transfer \$5,000 to the transportation object code 2237.

2410 OFFICE SUPPLIES

1996-97 Authorized	\$37,428
1995-96 Actual	\$13,963
1994-95 Actual	\$ 5,523
1993-94 Actual	\$14,016
1992-93 Actual	\$31,560

DMV COMMENTS - Printing of passenger safety posters (K-2) and handbooks for school bus drivers previously were charged to this object code. During ~~94-95~~ a three year supply was printed. Plan to realign the budget and transfer \$20,000 to 2411 Printing to cover printing needs for future years.

93-94

2473 PHOTOGRAPHIC SUPPLIES

1996-97 Authorized	\$2,000
1995-96 Actual	\$ 0
1994-95 Actual	\$ 0
1993-94 Actual	\$ 105
1992-93 Actual	\$ 179

DMV COMMENTS - Funds are needed for film and slide reproduction for the Basic School Bus Driver Training Program.

2510 DATA PROCESSING EQUIPMENT

1996-97 Authorized	\$ 2,500
1995-96 Actual	\$ 467
1994-95 Actual	\$ 7,032
1993-94 Actual	\$18,819
1992-93 Actual	\$ 0

DMV COMMENTS - Authorized funding level necessary for automation needs.

0550 - TRAFFIC RECORDS

2322 TELEPHONE

Relocation of the Data Entry Unit resulted in new cable lines for computer terminals. Terminals also were added in the Coding Unit. Due to activities associated with the newly created Data Control Unit, telephone expenses will increase. Plan to transfer funds from 2630 Public Liability Claims.

2511 OFFICE FURNITURE AND EQUIPMENT

1996-97 Authorized	\$18,174
1995-96 Actual	\$ 5,555
1994-95 Actual	\$25,924
1993-94 Actual	\$ 7,753
1992-93 Actual	\$ 1,247

DMV COMMENTS - Authorized funding level necessary to cover the purchase of items for the newly created Customer Merge and Data Control Units.

0959 REIMBURSEMENT NHTSA

1996-97 Authorized	\$12,600
1995-96 Actual	\$36,817
1994-95 Actual	\$72,066
1993-94 Actual	\$47,042
1992-93 Actual	\$49,885

DMV COMMENTS - Reimbursement from the National Highway Safety Administration is based on the number of fatalities. A decrease in fatalities would mean a decrease in revenue.

0984 SALE OF COLLISION REPORTS

The passage of the Public Records Law mandated that uncertified copies of accident reports be sold at actual reproduction costs. Effective March 1, 1996 the fee was reduced from \$4.00 to \$1.00. During the 1995 Short Session this objective code was reduced to reflect this decrease in revenue.

0560 INTERNATIONAL REGISTRATION PLAN SECTION

2236 IN-STATE SUBSISTENCE

1996-97 Authorized	\$7,199
1995-96 Actual	\$2,654
1994-95 Actual	\$6,974
1993-94 Actual	\$5,107
1992-93 Actual	\$2,948

DMV COMMENTS - A field auditor position has been transferred to headquarters. This will require additional travel expenses.

2238 OUT-OF-STATE TRAVEL AND SUBSISTENCE

1996-97 Authorized	\$9,503
1995-96 Actual	\$2,931
1994-95 Actual	\$3,370
1993-94 Actual	\$5,720
1992-93 Actual	\$1,675

DMV COMMENTS - IRP staff did not travel out of the state in 1995-96 as much as in past years. IRP auditors usually make three or four out-of-state trips per year to audit out-of-state firms; however, during 95-96 only two trips were required.

2322 TELEPHONE

The 1997-98 continuation level is 28 percent higher than the 1995-96 actual. OSBM allowed only a 6.1 percent increase.

DMV COMMENTS - Authorized funding level necessary to cover additional fax line expenses.

2330 RENTAL OF LAND & STRUCTURE

1996-97 Authorized	\$56,000
1995-96 Actual	\$51,655
1994-95 Actual	\$28,326
1993-94 Actual	\$ 0
1992-93 Actual	\$ 0

DMV COMMENTS - IRP is in the third year of a five year variable lease for the One Stop Shop on Rock Quarry Road. Future lease requirements are \$57,244 for 97-98 and \$59,226 for 98-99.

2443 LICENSE PLATES & STICKERS

1996-97 Authorized	\$159,700
1995-96 Actual	\$135,536
1994-95 Actual	\$ 874
1993-94 Actual	\$ 1,586
1992-93 Actual	\$ 0

DMV COMMENTS - At present for 96-97, IRP has expended \$174,767 for apportioned tractor and trailer license plates.

0570 Enforcement

2233 - EDUCATIONAL EXPENSES

1996-97 Authorized	\$6,351
1995-96 Actual	\$1,025
1994-95 Actual	\$5,339
1993-94 Actual	\$3,041
1992-93 Actual	\$5,929

DMV COMMENTS - Expenses for BLET manuals are \$4,165. Funding above this level is not required. Due to the purchase of additional computers, additional training will be required; therefore, plan to transfer \$2,186 to object 2250 Training Data Processing.

2236 IN-STATE SUBSISTENCE

1996-97 Authorized	\$420,293
1995-96 Actual	\$207,109
1994-95 Actual	\$106,750
1993-94 Actual	\$101,078
1992-93 Actual	\$121,480

DMV COMMENTS - During the 1995 Session, expansion funds for additional personnel and additional training expenses were requested. Only the training funds were approved; therefore, the authorized funding level exceeds need. Plan to transfer \$24,000 to other transportation object codes.

2237 IN-STATE TRANSPORTATION

1996-97 Authorized	\$2,993,166
1995-96 Actual	\$2,911,716
1994-95 Actual	\$2,704,124
1993-94 Actual	\$2,472,386
1992-93 Actual	\$1,967,418

DMV COMMENTS - Authorized level of funding necessary to meet needs. Due the increase in the Motor Fleet rate, it is estimated that mileage expenditures will increase by \$492,876 annually.

2310 PROFESSIONAL FEES

1996-97 Authorized	\$58,198
1995-96 Actual	\$54,852
1994-95 Actual	\$62,544
1993-94 Actual	\$115,874
1992-93 Actual	\$52,694

DMV COMMENTS - Actual costs for expenses incurred for annual physicals, vaccinations and bar light installation. Radio installations costing \$10,000 annually previously were charged to 2523; however these are now charged to this object code.

2323 POSTAGE

1996-97 Authorized	\$ 81,370
1995-96 Actual	\$ 42,828
1994-95 Actual	\$ 63,929
1993-94 Actual	\$194,400
1992-93 Actual	\$ 60,468

DMV COMMENTS - Post cards for Process Officers purchased three to four times per year or as required. Only two purchases realized in 95-96. Anticipate four purchases in the current year associated with the 450,000 revocations processed annually.

2347 REPAIR AND SERVICE TO DP EQUIPMENT

1996-97 Authorized	\$46,167
1995-96 Actual	\$ 8,401
1994-95 Actual	\$ 8,939
1993-94 Actual	\$ 8,473
1992-93 Actual	\$ 6,453

DMV COMMENTS - Much of the computer equipment currently utilized by Enforcement is old and not under maintenance contracts; therefore, it has shown to be more cost effective to replace this equipment than service it. Plan to transfer \$36,000 to 2510 to continue to replace equipment as needed.

2411 PRINTING AND BINDING

1996-97 Authorized	\$3,258
1995-96 Actual	\$ 0
1994-95 Actual	\$ 12
1993-94 Actual	\$ 0
1992-93 Actual	\$ 0

DMV COMMENTS - Plan to realign the budget and transfer \$3,258 to object code 2410 to cover additional office supply costs.

2443 LICENSE PLATES AND STICKERS

1996-97 Authorized	\$499,000
1995-96 Actual	\$492,025
1994-95 Actual	\$182,132
1993-94 Actual	\$215,616
1992-93 Actual	\$195,233

DMV COMMENTS - Expenses can fluctuate due to demand and costs of safety inspection stickers.

2469 MOTOR VEHICLE OPERATIONS

1996-97 Authorized	\$11,831
1995-96 Actual	\$ 5,535
1994-95 Actual	\$ 7,238
1993-94 Actual	\$ 8,291
1992-93 Actual	\$ 8,473

DMV COMMENTS - Flares, battery cables, sticker renewal and supply auto repairs are spent from this line which vary depending upon need. Flares were not purchased in 95-96. Average annual expenses for this line item has been \$7,713. Funds in 2469 also are used to support needs in 2474.

2475 MEDICAL AND SAFETY SUPPLIES

1996-97 Authorized	\$8,112
1995-96 Actual	\$5,837
1994-95 Actual	\$8,816
1993-94 Actual	\$8,290
1992-93 Actual	\$8,473

DMV COMMENTS - First aid kits and supplies are ordered as needed.

2523 RENT OF OTHER EQUIPMENT

1996-97 Authorized	\$12,232
1995-96 Actual	\$ 1,065
1994-95 Actual	\$13,287
1993-94 Actual	\$13,813
1992-93 Actual	\$11,066

DMV COMMENTS - Previously pagers and radio installation were charged to this objective code but are now being charged to objects 2322 and 2310 respectfully. Plan to realign budget and transfer \$10,000 to object 2310 to cover anticipated costs.

2636 SPECIAL INVESTIGATIONS

1996-97 Authorized	\$9,000
1995-96 Actual	\$3,900
1994-95 Actual	\$8,332
1993-94 Actual	\$1,264
1992-93 Actual	\$5,680

DMV COMMENTS - Funds needed for undercover inspections. Must have adequate funds available to cover anticipated needs.

2637 SAFETY INSPECTION INVESTIGATIONS

1996-97 Authorized	\$40,000
1995-96 Actual	\$ 8,191
1994-95 Actual	\$ 8,332
1993-94 Actual	\$11,634
1992-93 Actual	\$17,551

DMV COMMENTS - Funds needed to cover undercover safety inspections. Must have adequate funds available to cover anticipated needs.

FUNDING EXPENDITURES FOR ENTIRE STATE

1

(1987 - 1996)

08:41 Thursday, February 27, 1997

	TOTAL	CONSTRUCTION	MAINTENANCE- *(ROAD & BRIDGE)
	SUM	SUM	SUM
DIVISION			
01	664480088	445478089	219001999
02	520690986	310340862	210350124
03	700567756	463437019	237130737
04	684877991	444827790	240050201
05	1126108768	882092706	244016061
06	541027777	302130001	238897776
07	973090116	771636550	201453566
08	554047824	318984562	235063262
09	752533633	545271330	207262303
10	1193943719	997368887	196574831
11	728453331	469030826	259422504
12	767073675	522572896	244500780
13	696392416	467519622	228872795
14	668821195	440800582	228020613
COLUMN TOTALS	10572109275	7381491722	3190617553

		TOTAL	CONSTRUCTION	MAINTENANCE- *(ROAD & BRIDGE)
		SUM	SUM	SUM
DIVIS- ION	YEAR			
01	86-87	50468015	33026964	17441050
	87-88	51449566	32299889	19149676
	88-89	66397984	44598026	21799959
	89-90	68935221	44966055	23969166
	90-91	76110138	55915547	20194591
	91-92	49144761	30201415	18943346
	92-93	63981563	42117565	21863998
	93-94	74812773	51114710	23698063
	94-95	79127335	52083797	27043539
	95-96	84052733	59154121	24898612
02	86-87	39135944	20853113	18282830
	87-88	37217407	19334630	17882777
	88-89	36072170	13650246	22421924
	89-90	47822512	27783024	20039488
	90-91	54969330	36233858	18730472
	91-92	55913745	34507017	21406728
	92-93	49443047	29176265	20266782
	93-94	62921431	40560393	22361037
	94-95	65429186	40941277	24487908
	95-96	71766215	47296038	24470177
03	86-87	53845888	35529390	18316498
	87-88	58256548	38196412	20060136

(CONTINUED)

		TOTAL	CONSTRUCTION	MAINTENANCE- *(ROAD & BRIDGE)
		SUM	SUM	SUM
DIVIS- ION	YEAR			
03	88-89	65737426	42252789	23484637
	89-90	78039591	57145506	20894085
	90-91	70680349	47445957	23234392
	91-92	64290149	40094646	24195503
	92-93	72824660	50021200	22803461
	93-94	78732641	50239862	28492780
	94-95	76091602	47348069	28743532
	95-96	82068902	55163188	26905713
04	86-87	65255463	46904581	18350883
	87-88	83607992	60563982	23044011
	88-89	66982254	43600632	23381622
	89-90	79286458	54380232	24906225
	90-91	59336812	35860664	23476148
	91-92	49439273	27942695	21496578
	92-93	53470021	28225596	25244424
	93-94	62854493	36420577	26433916
	94-95	75936323	49151858	26784465
05	95-96	88708902	61776972	26931929
	86-87	86141751	66150590	19991161
	87-88	72343484	50470677	21872806
	88-89	72142488	47347796	24794692
	89-90	86843406	62569621	24273784

(CONTINUED)

		TOTAL	CONSTRUCTION	MAINTENANCE- *(ROAD & BRIDGE)
		SUM	SUM	SUM
DIVIS- ION	YEAR			
05	90-91	85194046	61123258	24070788
	91-92	109805275	87890002	21915273
	92-93	138519922	110278462	28241460
	93-94	145128046	118936776	26191270
	94-95	170580408	142202162	28378246
	95-96	159409944	135123362	24286582
06	86-87	33127907	14789830	18338077
	87-88	44666940	21456374	23210565
	88-89	45051576	22425195	22626381
	89-90	52691677	30035643	22656234
	90-91	56129595	33051336	23078259
	91-92	49554109	28083491	21470619
	92-93	57410956	31112933	26298023
	93-94	61767796	36308097	25459699
	94-95	72866824	46325682	26561141
	95-96	67740199	38541420	29198779
07	86-87	45031260	29037301	15993959
	87-88	69346615	49663421	19683193
	88-89	60944286	36827851	24116435
	89-90	56133941	36843171	19290770
	90-91	98393952	80159496	18234456
	91-92	112929232	94981902	17947330

(CONTINUED)

14:31 Tuesday, February 25, 1997

		TOTAL	CONSTRUCTION	MAINTENANCE- *(ROAD & BRIDGE)
		SUM	SUM	SUM
DIVIS- ION	YEAR			
07	92-93	137465317	117823058	19642258
	93-94	145972357	124605591	21366766
	94-95	138240871	117183179	21057692
	95-96	108632285	84511580	24120705
08	86-87	37959260	20515825	17443434
	87-88	41466611	19843940	21622670
	88-89	45644078	20416826	25227252
	89-90	44944501	21685325	23259176
	90-91	50505829	28953846	21551983
	91-92	50082182	29014156	21068026
	92-93	62242577	37822715	24419862
	93-94	64724472	40720478	24003993
	94-95	73469673	46388755	27080918
	95-96	83008642	53622694	29385947
09	86-87	53837362	36935640	16901721
	87-88	56231134	40476128	15755006
	88-89	59762955	39639537	20123419
	89-90	79220025	57413151	21906874
	90-91	101449209	82783678	18665531
	91-92	105260062	86518475	18741588
	92-93	69981720	47290568	22691152
	93-94	69583411	43855514	25727897

(CONTINUED)

		TOTAL	CONSTRUCTION	MAINTENANCE- *(ROAD & BRIDGE)
		SUM	SUM	SUM
DIVIS- ION	YEAR			
09	94-95	72786703	49005080	23781623
	95-96	84421051	61353559	23067492
10	86-87	58377127	43308140	15068987
	87-88	89733844	71033771	18700073
	88-89	85661777	60881248	24780528
	89-90	93213421	74712057	18501364
	90-91	107740580	88054645	19685935
	91-92	126639616	107254449	19385167
	92-93	142309565	123905124	18404441
	93-94	171214201	149329247	21884955
	94-95	158704804	140018622	18686183
	95-96	160348782	138871584	21477199
11	86-87	40353638	20191174	20162463
	87-88	59032589	33431041	25601548
	88-89	63017279	38237815	24779464
	89-90	57955922	34618473	23337449
	90-91	62289032	39936220	22352812
	91-92	64823536	42534553	22288983
	92-93	77806515	49993122	27813392
	93-94	94163805	62904284	31259521
	94-95	100142381	68048969	32093413
	95-96	108868633	79135174	29733457

(CONTINUED)

(1987 - 1996)

14:31 Tuesday, February 25, 1997

		TOTAL	CONSTRUCTION	MAINTENANCE- *(ROAD & BRIDGE)
		SUM	SUM	SUM
DIVIS- ION	YEAR			
12	86-87	39701524	22077909	17623614
	87-88	52484066	28949469	23534598
	88-89	64672292	40071961	24600331
	89-90	74116571	49154201	24962370
	90-91	80739616	58936820	21802797
	91-92	80215912	58440590	21775322
	92-93	79376436	52243192	27133244
	93-94	95078155	68331838	26746317
	94-95	110476738	84016831	26459907
	95-96	90212365	60350086	29862280
13	86-87	51997210	31594874	20402336
	87-88	55029577	33877533	21152043
	88-89	58112726	36325198	21787528
	89-90	64065150	42609475	21455675
	90-91	67328587	43902827	23425761
	91-92	62930177	42162637	20767540
	92-93	74341622	51632058	22709563
	93-94	79489164	54001160	25488004
	94-95	81189965	56353741	24836224
	95-96	101908239	75060118	26848121
14	86-87	45235349	27134930	18100418
	87-88	49727690	30786106	18941584

(CONTINUED)

		TOTAL	CONSTRUCTION	MAINTENANCE- *(ROAD & BRIGDE)
		SUM	SUM	SUM
DIVIS- ION	YEAR			
14	88-89	48190753	23246341	24944412
	89-90	55427522	31387218	24040304
	90-91	64245585	41389154	22856431
	91-92	75784658	55477619	20307040
	92-93	72517096	47832154	24684943
	93-94	90116330	64998252	25118078
	94-95	85301516	59542002	25759514
	95-96	82274697	59006807	23267890
COLUMN TOTALS	86-87	700467695	448050263	252417433
	87-88	820594061	530383374	290210687
	88-89	838390044	509521461	328868583
	89-90	938696116	625303152	313392964
	90-91	1035112661	733752306	301360355
	91-92	1056812688	765103646	291709043
	92-93	1151691017	819474013	332217003
	93-94	1296559074	942326778	354232296
	94-95	1360364328	998610024	361754303
	95-96	1373421589	1008966703	364454886

VISITOR REGISTRATION SHEET

APPROPRIATIONS-DEPARTMENT OF TRANSPORTATION

Committee

3/11/97
Date

VISITORS: Please sign below and return to Committee Clerk

NAME	FIRM or AGENCY and ADDRESS
Alvin H. Funtz, Jr.	DOT/DMV/SBTS
Hope Mozingo	DOT/DMV/Enforcement
Sam Anwood	DMV ENF
DAVID C. RICHARDS	DMV ENFORCEMENT
Milton D. Aelford	OSBM
Cliff Smith	DOT
Wayne Herndon	DMV Pure Lic.
William Rudd	NC DOT
Carol Howard	DMV - Vehicle Reg.
ED CARE	DMV - Ast. Comm.
Rosa Gill	DMV - Traffic Records
Ruth Dwyer	NC DOT
Eugene C. Ellis	DMU
Constance Faulkner	DMV
Merilee Benton	DOT

**THE JOINT LEGISLATIVE
APPROPRIATIONS
SUB-TRANSPORTATION COMMITTEE**

**MARCH 12, 1997
8 AM
ROOM 1327**

The Joint Legislative Appropriations/sub-Transportation Committee met in Room 1327 at 8 am on Thursday, March 12, 1997. **Representative Jerry Dockham** called the meeting to order. Visitor's Sheet attached.

Members Present:

Rep. Jerry Dockham, Co-Chair
Rep. Ed McMahan, Co-Chair
Rep. Thomas Hardaway
Rep. Jim Gulley
Rep. Drew Saunders
Five Senators

Rep. Joanne Bowie, Co-Chair
Rep. Bobby Barbee
Rep. Bill Hiatt
Rep. Mary McAllister
Rep. Ronnie Sutton

Representative Dockham introduced **Karl Knapp, Fiscal Research Division**, who presented a review of **House Bill 248, *Graduated Drivers Licenses*** (see attachment I. Pg. 1-5). Mr. Knapp indicated the passage of this bill would establish a graduated process whereby a minor would acquire a driver's license. Additional workloads would be generated for the DMV, as all minors would be required to obtain a learner's permit before receiving a limited provisional license. **Wayne Hurder, DMV, Director of Driver License**, was available to answer questions.

House Bill 248 would have no impact on expenditures required of the public schools or the Department of Public Instruction. However, the Department of Motor Vehicles would incur additional expenditures, such as; additional examiners, clerical staff, postage, printing, digitized transaction costs and MIS programming.

Revenues realized would be ten dollars per learner's permit and limited provisional license transactions. Committee discussion took place.

House Bill 248 has a provision that makes the effective date of the legislation conditional upon the availability of the appropriations necessary to carry out the provisions.

Mr. Knapp continued with the Budget Review -

Budget Book, Pg. 919 - **Code 0550 - Traffic Records** (handout II).

- 2322 Telephone
- 2511 Office furniture and Equipment
- 0959 Reimbursement National Highway Transportation Safety Adm
- 0984 Sale of Collision Reports.

Discussion took place. **Rosa Gill, Director of Traffic Records**, spoke to the Committee requesting funds necessary to hire additional employees necessary because of the complexity of merging records for the new database system. Ms. Gill also explained to the Committee that in 1996 a new public records law was passed that required only the direct cost of reproducing the document be charged to the public when requesting a document. The \$4.00 collision report fee was reduced to \$1.00. The result of this new law was a reduction in receipts for the traffic department.

Budget Book, Pg. 192, 193 - **Code 0560 - International Registration Plan Section (IRP)** (handout III. Pg. 1-2).

- 2236 In-State Subsistence
- 2238 Out-Of-State Travel and Subsistence
- 2322 Telephone
- 2330 Rental of Land & Structure
- 2443 License Plates & Stickers

Discussion took place. **Carol Howard, Director of Vehicle Registration, DMV**, explained the International Registration Plate Program to the Committee. North Carolina has been a member for 20 years - collecting licensing fees for the in-state/out-of-state long distance truckers. The fees are based on a percentage of driving mileage in each state; for example, if a trucker drives 70% of his miles in North Carolina and 30% in Virginia - North Carolina would receive 70% of the revenue and 30% would be sent to Virginia. There are eight thousand accounts in the IRP program. Accounting requirements stipulate that 3% of the accounts must be audited yearly. IRP has a "model" one-stop-shop on Rock Quarry Road where all functions of truck driving are handled. Discussion took place.

Budget Book, Pg. 195 - **Code 0570 - Enforcement** (handout IV. Pg. 1-4)

- 2233 - Educational Expenses
- 2236 - In-State Subsistence

Colonel David Richards, Director of the Enforcement Section, DMV, presented an overview of the enforcement section and the duties performed: Safety inspection program, salvage inspections, investigation of auto thefts, operation of ten weigh stations in the state and a portable scales program, motor carrier safety inspections, civil process, fuel tax evasion, and the rest assured program.

Discussion took place regarding the difference in "authority of powers" between the Highway Patrol and the DMV Enforcement Officers. Mr. Knapp noted the Bill before the General Assembly would give the DMV Enforcement Officers arrest powers in situations other than as defined in Chapter 20. Discussion took place.

Major Jerry Arrowood, DMV, Enforcement Section indicated every enforcement officer in North Carolina must be certified by the Criminal Justice Training Standards Counsel. Major Arrowood feels the DMV Enforcement Officers are as well trained as any Officers in North Carolina; including, specialized training.

Representative Bowie expressed concern that the DMV Enforcement Officers do not receive the extensive hours of specialized training that the Highway Patrol does. Representative Bowie also feels the DMV Officers already have a full schedule of important duties and should not be involved in further arrest powers.

Representative Saunders asked what the position of the Department was on the pending bill regarding elimination of safety inspections. Major Jerry Arrowood responded the Department is opposed to the elimination of safety inspections.

Representative Sutton asked where the Department stands with revocation orders. Major Arrowood stated about 350,000 revocation orders are received per year and there is backlog of approximately 76,000

Representative Hardaway asked what the difference in monetary compensation is, if any, between Highway Patrol and DMV Enforcement Officers. Mr. Knapp noted the Highway Patrol Officers receive a five percent increase every year; DMV Enforcement Officers do not.

Mr. Virgil McBride, Truckers Association, spoke in support of the DMV Officers and the good job they are doing enforcing safety with truckers. He also noted 70% of accidents involving truckers are caused by motorists, not truckers.

Karl Knapp, Fiscal Research Division, continued review:
Budget Book - Pg. 196-197 (see handout IV. Pg. 1-4)

Code 0570 Enforcement

- 2233 - Educational expenses
- 2236 - In-State Subsistence
- 2237 - In-State Transportation
- 2310 - Professional Fees
- 2323 - Postage
- 2347 - Repair and Service to DP Equipment
- 2411 - Printing and Binding

- 2443 - License Plates and Stickers

Representative Hiatt questioned who under the law is eligible to use dealer plates? **Major Jerry Arrowood** stated the law states any person who works 15 hours a week at a business, is an officer of the Corporation, or the vehicle is part of the dealer's inventory. Major Arrowood discussed the increased use of dealer transport plates and noted that perhaps transport plates need closer observation and control.

- 2469 - Motor Vehicle Operations.

Representative Dockham requested item be "Flagged" for the Committee to revisit.

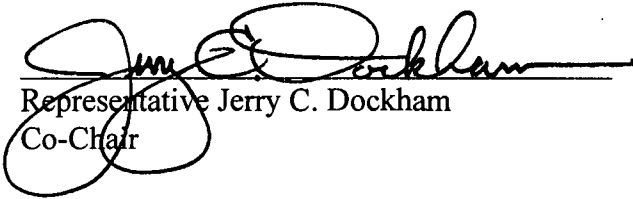
- 2475 - Medical and Safety Supplies
- 2523 - Rent Of Other Equipment
- 2636 - Special Investigations
- 2637 - Safety Inspection Investigations.

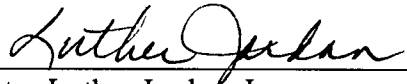
Representative Dockham requested item be "Flagged" for the Committee to revisit.

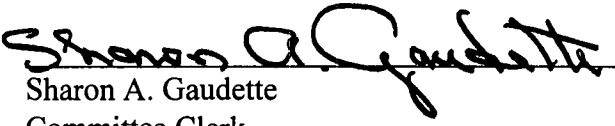
Budget Book - pg. 198 - 200. **Code 0590 - Motor Vehicle Exhaust Emission Inspection.**
Discussion took place.

Meeting adjourned at 9:55 am.

Respectfully submitted:


Representative Jerry C. Dockham
Co-Chair


Senator Luther Jordan, Jr.
Co-Chair


Sharon A. Gaudette
Committee Clerk

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Sub-Committee Transportation
Name of Committee

3-12-97
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

Ruth Sappie	NC DOT
Lesa Bice	NC-DOT - DMV
Charles D. Mitchell	NC-DOT - DMV
Wayne Hunder	NC DMV
ED CARR	NC DMV
Carol Brum	DOT
Milton Alfred	OSBM
William Ridd	NC DOT
Mercedes Benton	NC DOT
Carol Howard	DMV - Veh. Reg.
Hope Mozige	DMV - Enforcement
Serry Arrowood	DMV ENF.
DAVID C. RICHARDS	DMV ENF.
Gene Cella	DMV

JOINT APPROPRIATIONS
TRANSPORTATION SUBCOMMITTEE

March ¹²~~11~~, 1997

Agenda

1. Continuation Budget Review

Division of Motor Vehicles
Budget Code (84260)

Karl Knapp, Staff

2. Continuation Budget Review

Transportation Reserves
Budget Code (84270)

Tony Goldman, Staff
Karl Knapp, Staff

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 248 (3rd Edition)
SHORT TITLE: Graduated Drivers Licenses
SPONSOR(S): Representative Clary

FISCAL IMPACT

Yes (X) No () No Estimate Available ()

FY 1997-98 FY 1998-99 FY 1999-00 FY 2000-01 FY 2001-02

HIGHWAY FUND

Expenditures

Examiners - Recurring	\$84,279	\$174,322	\$630,332	\$652,166	\$674,758
Examiners - Nonrecurring	20,865	21,446	110,333	0	0
Clerical Staff	0	496	6,126	6,309	6,509
Postage	0	136	1,632	1,632	1,632
Printing	0	8,161	8,161	8,161	8,161
Digitized Licenses	15,516	39,866	138,243	138,243	138,243
MIS Programming	<u>84,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total, Expenditures	\$204,660	\$245,047	\$894,826	\$806,510	\$829,303

Revenues

Learner's Permit Fees	\$147,770	\$253,320	\$253,320	\$253,320	\$253,320
Full Provisional License Fees	<u>0</u>	<u>85,010</u>	<u>1,020,150</u>	<u>1,020,150</u>	<u>1,020,150</u>
Total, Revenues	\$147,770	\$338,330	\$1,273,470	\$1,273,470	\$1,273,470

Highway Fund Availability	(\$56,890)	\$93,256	\$378,644	\$466,960	\$444,167

Positions:	3	6.02	21.24	21.24	21.24

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: Division of Motor Vehicles

NOTE: As discussed in the Assumptions and Methodology section, the proposed act will have no impact on expenditure requirements of public schools or the Department of Public Instruction.

EFFECTIVE DATE: December 1, 1997, if the funds necessary to administer the provisional license program are appropriated from the Highway Fund to the Department of Transportation, Division of Motor Vehicles. Figure shown above show the amounts that would need to be appropriated and expected revenues.

BILL SUMMARY:

The proposed act establishes a graduated process by which minor would acquire a driver's license. Two provisions of the proposed act differ from current law in a manner that will have fiscal impact:

- 1) The proposed act requires a minor to hold a learner's permit for one year without moving violations or seatbelt infractions before a limited provisional license can be issued, as opposed to current law which does not require applicants for a license to have a learner's permit. Minors who would otherwise have skipped getting a learner's permit would now be required to get one at a cost of \$10.00. As under current law, minors would be required to pass a driver's education course before acquiring a learner's permit.
- 2) The proposed act requires that all minors acquire a limited provisional license before being acquiring a full provisional license. Current law allows minors age 16 and older to acquire a full provisional license without any intermediate steps. The limited provisional license restricts the hours during which a minor may drive unsupervised and requires that all occupants of the vehicle wear seatbelts. After holding a limited provisional license for six months without moving violations or seatbelt infractions, a minor can receive a full provisional license. The additional license would cost \$10.00. The full provisional license could be obtained at a DMV office or through a mail-in application. As under current law, minors would be required to pass a driver's education course before acquiring a license.

The proposed act also contains a provision that makes the effective date of the legislation conditional upon the availability of the appropriations necessary to carry out the provisions of the proposed act.

ASSUMPTIONS AND METHODOLOGY:

Division of Motor Vehicles

Workload

Additional workload is generated for DMV because all minors will be required to acquire a learner's permit before acquiring a limited provisional license. The total number of additional learner's permits issued is as a result of the mandatory learner's permit provision is based on the number of 16 and 17 year olds acquiring driver's licenses in 1996 minus the number of permits issued in 1996. Because the proposed act is not effective until December 1, 1997, the first year figures represent 7/12 of the permit figure.

Additional workload is also generated for DMV because minors are required to acquire an additional provisional license. While the additional step is at the limited provisional license level, the workload for this step is the same as the current workload for issuing provisional licenses because this is the step at which the license examination would be given. The additional workload for DMV is generated by applications for full provisional licenses, which are issued without an examination if the applicant has held the limited license for six months and has no violations. The additional applications are equal to the number of current license applications for minors. The total number of 16 and 17 year olds

acquiring full provisional licenses during each fiscal year is based on the number of 16 and 17 year olds acquiring driver's licenses in 1996. It is assumed that 95 percent of full provisional license applicants will apply at DMV offices in order to acquire the license more quickly than would occur through a mail-in application.

Because the proposed act contains a grandfather clause that applies its provisions only to those minors seeking a license or permit after the proposed act becomes effective, no applications for full provisional licenses are assumed to be processed until 18 months after the implementation date. As a result, only one month of provisional license workload occurs during the second fiscal year. The following workload assumptions are used for each year:

Number of 16 and 17 year olds
acquiring full provisional
licenses during fiscal year

Walk-in at field offices (95%)	0	8,176	96,914	96,914	96,914
Mail-in to headquarters (5%)	0	425	5,101	5,101	5,101

Additional learners permits
applied for at field offices

14,777	25,332	25,332	25,332	25,332

Expenditures

Examiners - Additional examiners are required at field offices to process the additional application workload generated by additional applicants for learner's permits and applicants for full provisional licenses. A 1996 study by the Department of Transportation's Productivity Management Section concluded that each driver license examiner could perform an average of 5,760 transactions per year (accounting for leave and other factors that limit time available). The number of transactions required for the year is divided by the number of field transactions per examiner to determine the number of examiners required ($1998-99 - 33,408/5760 = 5.6$). This number is rounded and multiplied by the salary and benefits cost of an examiner (\$28,093 in 1997-98 and adjusted for inflation in other years) to determine the recurring cost of examiners. The nonrecurring cost is based on the number of new examiners in each year multiplied by the cost of providing uniforms, equipment, and training for each new examiner (\$6,955 in 1997-98 and adjusted for inflation in other years).

Clerical Staff - Clerical staff are required to process full provisional license applications sent by mail. Clerical staff open the application, query the driver's license system to determine if the applicant is eligible for the license, generate the license from the digitized system, and mail the license to the applicant. The total number of headquarters transactions is divided by the number of non-holiday workdays per year ($1999-00 - 5,101/250 = 20.4$) to arrive at the number of transactions per day. DMV estimates that each transaction requires five minutes to process. The total number of minutes required to process transactions each day is divided by the number of minutes each day to determine the number of clerical staff required. The number of staff required is multiplied by the average salary and benefit cost of \$24,134.

Postage - The number of mail-in transactions is multiplied by \$0.32 to determine the amount of postage needed to mail full provisional licenses to applicants.

Printing - The number of full provisional license transactions is multiplied by \$0.08 to determine the cost of printing information brochures for limited provisional license applicants to inform them how to acquire their full provisional license.

Digitized Transaction Costs - DMV leases digitized license equipment to produce driver's licenses. The lease cost is based upon the total number of transactions processed by the machines multiplied by a set rate. The current rate is \$1.05. For 1997-98, each additional learner's permit transaction adds \$1.05 in costs. Each new machine acquired by DMV causes the rate to increase by \$0.002. DMV will require one new machine starting in 1998-99 to implement the provisions of the bill option. As a result, each new license or permit issuance caused by the provisions of the proposed act costs DMV an additional \$1.052 (1998-99 - 33,933 X \$1.052 = \$39,866). In addition, the extra \$0.002 applies to each of the 2,136,891 transactions not related to the additional workload created by the proposed act (2,136,891 X \$0.002 = \$4,274)

MIS Programming - The DMV computer system must be reprogrammed to accept the additional license level and restrictions placed on provisional licensees. Reprogramming will require 1,200 hours of work at \$60.00 per hour, the rental of two personal computers for four months at \$1,000 per month, and \$2,000 per month in additional SIPS charges for the four month period.

Revenues

Each additional learner's permit transaction and each limited provisional license transaction produce \$10.00 in revenue.

Public Schools/Department of Public Instruction

Driver Education

The provisions of the proposed act will not affect expenditures and revenues of public schools or the Department of Public Instruction on driver education. While the proposed act does contain a requirement that all driver education courses include six hours of actual driving experience, this amount of time is already required by Department of Public Instruction. As such, public schools would not incur additional costs to meet the requirement. Because the proposed act does not add require any more minors to take driver education than under current law, it will not add to the number of students taking driver education courses at public schools.

Student Transportation

The proposed act will have no effect on the costs of transporting students on school buses. The proposed act does not increase the age at which a minor can acquire a driver's license, so it does not reduce the number of students who can drive to school rather than ride a school bus. In addition, while the proposed act's restricts the hours during which holders of limited provisional licenses can drive alone to 5:00 a.m. through 9:00 p.m., this restriction is in effect hours during which students would drive to school. As such, the hour restrictions do not add to the number of students riding buses. Finally, although the proposed act does change the number of violations that could cause minors to lose their learner's permits, the number of students affected is very small. The Department

of Public Instruction indicates that any resulting additional school bus ridership can be accommodated within current bus capacity.

TECHNICAL CONSIDERATIONS: It is not clear whether violations of the hour restrictions and seatbelt requirements constitute moving violations. Under GS 20-13, the number of moving violations accumulated by a provisional licensee is the basis for whether DMV can revoke a provisional license.

FISCAL RESEARCH DIVISION

733-4910

PREPARED BY: Karl Knapp

APPROVED BY: Tom Covington **TomC**

DATE: March 3, 1997

0550 - TRAFFIC RECORDS

2322 TELEPHONE

Relocation of the Data Entry Unit resulted in new cable lines for computer terminals. Terminals also were added in the Coding Unit. Due to activities associated with the newly created Data Control Unit, telephone expenses will increase. Plan to transfer funds from 2630 Public Liability Claims.

2511 OFFICE FURNITURE AND EQUIPMENT

1996-97 Authorized	\$18,174
1995-96 Actual	\$ 5,555
1994-95 Actual	\$25,924
1993-94 Actual	\$ 7,753
1992-93 Actual	\$ 1,247

DMV COMMENTS - Authorized funding level necessary to cover the purchase of items for the newly created Customer Merge and Data Control Units.

0959 REIMBURSEMENT NHTSA

1996-97 Authorized	\$12,600
1995-96 Actual	\$36,817
1994-95 Actual	\$72,066
1993-94 Actual	\$47,042
1992-93 Actual	\$49,885

DMV COMMENTS - Reimbursement from the National Highway Safety Administration is based on the number of fatalities. A decrease in fatalities would mean a decrease in revenue.

0984 SALE OF COLLISION REPORTS

The passage of the Public Records Law mandated that uncertified copies of accident reports be sold at actual reproduction costs. Effective March 1, 1996 the fee was reduced from \$4.00 to \$1.00. During the 1995 Short Session this objective code was reduced to reflect this decrease in revenue.

H
Pg 1 - 2

0560 INTERNATIONAL REGISTRATION PLAN SECTION

2236 IN-STATE SUBSISTENCE

1996-97 Authorized	\$7,199
1995-96 Actual	\$2,654
1994-95 Actual	\$6,974
1993-94 Actual	\$5,107
1992-93 Actual	\$2,948

DMV COMMENTS - A field auditor position has been transferred to headquarters. This will require additional travel expenses.

2238 OUT-OF-STATE TRAVEL AND SUBSISTENCE

1996-97 Authorized	\$9,503
1995-96 Actual	\$2,931
1994-95 Actual	\$3,370
1993-94 Actual	\$5,720
1992-93 Actual	\$1,675

FLAG

DMV COMMENTS - IRP staff did not travel out of the state in 1995-96 as much as in past years. IRP auditors usually make three or four out-of-state trips per year to audit out-of-state firms; however, during 95-96 only two trips were required.

2322 TELEPHONE

The 1997-98 continuation level is 28 percent higher than the 1995-96 actual. OSBM allowed only a 6.1 percent increase.

DMV COMMENTS - Authorized funding level necessary to cover additional fax line expenses.

2330 RENTAL OF LAND & STRUCTURE

1996-97 Authorized	\$56,000
1995-96 Actual	\$51,655
1994-95 Actual	\$28,326
1993-94 Actual	\$ 0
1992-93 Actual	\$ 0

DMV COMMENTS - IRP is in the third year of a five year variable lease for the One Stop Shop on Rock Quarry Road. Future lease requirements are \$57,244 for 97-98 and \$59,226 for 98-99.

2443 LICENSE PLATES & STICKERS

1996-97 Authorized	\$159,700
1995-96 Actual	\$135,536
1994-95 Actual	\$ 874
1993-94 Actual	\$ 1,586
1992-93 Actual	\$ 0

DMV COMMENTS - At present for 96-97, IRP has expended \$174,767 for apportioned tractor and trailer license plates.

0570 Enforcement

2233 - EDUCATIONAL EXPENSES

1996-97 Authorized	\$6,351
1995-96 Actual	\$1,025
1994-95 Actual	\$5,339
1993-94 Actual	\$3,041
1992-93 Actual	\$5,929

DMV COMMENTS - Expenses for BLET manuals are \$4,165. Funding above this level is not required. Due to the purchase of additional computers, additional training will be required; therefore, plan to transfer \$2,186 to object 2250 Training Data Processing.

2236 IN-STATE SUBSISTENCE

1996-97 Authorized	\$420,293
1995-96 Actual	\$207,109
1994-95 Actual	\$106,750
1993-94 Actual	\$101,078
1992-93 Actual	\$121,480

DMV COMMENTS - During the 1995 Session, expansion funds for additional personnel and additional training expenses were requested. Only the training funds were approved; therefore, the authorized funding level exceeds need. Plan to transfer \$24,000 to other transportation object codes.

2237 IN-STATE TRANSPORTATION

1996-97 Authorized	\$2,993,166
1995-96 Actual	\$2,911,716
1994-95 Actual	\$2,704,124
1993-94 Actual	\$2,472,386
1992-93 Actual	\$1,967,418

DMV COMMENTS - Authorized level of funding necessary to meet needs. Due the increase in the Motor Fleet rate, it is estimated that mileage expenditures will increase by \$492,876 annually.

2310 PROFESSIONAL FEES

1996-97 Authorized	\$58,198
1995-96 Actual	\$54,852
1994-95 Actual	\$62,544
1993-94 Actual	\$115,874
1992-93 Actual	\$52,694

DMV COMMENTS - Actual costs for expenses incurred for annual physicals, vaccinations and bar light installation. Radio installations costing \$10,000 annually previously were charged to 2523; however these are now charged to this object code.

2323 POSTAGE

1996-97 Authorized	\$ 81,370
1995-96 Actual	\$ 42,828
1994-95 Actual	\$ 63,929
1993-94 Actual	\$194,400
1992-93 Actual	\$ 60,468

DMV COMMENTS - Post cards for Process Officers purchased three to four times per year or as required. Only two purchases realized in 95-96. Anticipate four purchases in the current year associated with the 450,000 revocations processed annually.

2347 REPAIR AND SERVICE TO DP EQUIPMENT

1996-97 Authorized	\$46,167
1995-96 Actual	\$ 8,401
1994-95 Actual	\$ 8,939
1993-94 Actual	\$ 8,473
1992-93 Actual	\$ 6,453

DMV COMMENTS - Much of the computer equipment currently utilized by Enforcement is old and not under maintenance contracts; therefore, it has shown to be more cost effective to replace this equipment than service it. Plan to transfer \$36,000 to 2510 to continue to replace equipment as needed.

2411 PRINTING AND BINDING

1996-97 Authorized	\$3,258
1995-96 Actual	\$ 0
1994-95 Actual	\$ 12
1993-94 Actual	\$ 0
1992-93 Actual	\$ 0

DMV COMMENTS - Plan to realign the budget and transfer \$3,258 to object code 2410 to cover additional office supply costs.

2443 LICENSE PLATES AND STICKERS

1996-97 Authorized	\$499,000
1995-96 Actual	\$492,025
1994-95 Actual	\$182,132
1993-94 Actual	\$215,616
1992-93 Actual	\$195,233

DMV COMMENTS - Expenses can fluctuate due to demand and costs of safety inspection stickers.

2469 MOTOR VEHICLE OPERATIONS

1996-97 Authorized	\$11,831
1995-96 Actual	\$ 5,535
1994-95 Actual	\$ 7,238
1993-94 Actual	\$ 8,291
1992-93 Actual	\$ 8,473

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DMV COMMENTS - Flares, battery cables, sticker renewal and supply auto repairs are spent from this line which vary depending upon need. Flares were not purchased in 95-96. Average annual expenses for this line item has been \$7,713. Funds in 2469 also are used to support needs in 2474.

2475 MEDICAL AND SAFETY SUPPLIES

1996-97 Authorized	\$8,112
1995-96 Actual	\$5,837
1994-95 Actual	\$8,816
1993-94 Actual	\$8,290
1992-93 Actual	\$8,473

DMV COMMENTS - First aid kits and supplies are ordered as needed.

2523 RENT OF OTHER EQUIPMENT

1996-97 Authorized	\$12,232
1995-96 Actual	\$ 1,065
1994-95 Actual	\$13,287
1993-94 Actual	\$13,813
1992-93 Actual	\$11,066

DMV COMMENTS - Previously pagers and radio installation were charged to this objective code but are now being charged to objects 2322 and 2310 respectfully. Plan to realign budget and transfer \$10,000 to object 2310 to cover anticipated costs.

2636 SPECIAL INVESTIGATIONS

1996-97 Authorized	\$9,000
1995-96 Actual	\$3,900
1994-95 Actual	\$8,332
1993-94 Actual	\$1,264
1992-93 Actual	\$5,680

DMV COMMENTS - Funds needed for undercover inspections. Must have adequate funds available to cover anticipated needs.

2637 SAFETY INSPECTION INVESTIGATIONS

1996-97 Authorized	\$40,000
1995-96 Actual	\$ 8,191
1994-95 Actual	\$ 8,332
1993-94 Actual	\$11,634
1992-93 Actual	\$17,551

DMV COMMENTS - Funds needed to cover undercover safety inspections. Must have adequate funds available to cover anticipated needs.

JOINT APPROPRIATIONS
TRANSPORTATION SUBCOMMITTEE

March 18, 1997
A.m.

Agenda

1. Continuation Budget Review

Division of Motor Vehicles
Budget Code (84260)

Karl Knapp, Staff

2. Continuation Budget Review

Transportation Reserves
Budget Code (84270)

Tony Goldman, Staff
Karl Knapp, Staff

**THE JOINT LEGISLATIVE
APPROPRIATIONS
SUB-TRANSPORTATION COMMITTEE**

**MARCH 18, 1997
8:00 A.M.
ROOM 1327**

The House Committee on Appropriations/Sub-Transportation Committee met in Room 1327 at 8:00 A.M. on Tuesday, March 18, 1997. **Co-Chairman W. Edwin McMahan** called the meeting to order. Visitor's Sheet attached.

Members Present:

Rep. Joanne Bowie, Co-Chair
Rep. Jerry Dockham, Co-Chair
Rep. Ed McMahan, Co-Chair
Rep. Thomas Hardaway
Rep. Bill Hiatt

Rep. Jim Gulley
Rep. Mary McAllister
Rep. Drew Saunders
Rep. Ronnie Sutton

Five Senators

Chairman McMahan recognized **Mr. Karl Knapp, Staff to the Committee**, to continue the Continuation Budget Review. Mr. Knapp referred the Committee to the document entitled *DMV Flagged Items (See Attachment I & Budget Book, Volume 6, Page 183-184)*. The first flagged item discussed was *Training - Data Processing, Line Item 2250*. Mr. Knapp told the Committee that he did not recommend cuts in this area as this section is converting from dumb terminals to personal computers and these funds will be needed for training.

Mr. Knapp then discussed *Professional Fees, Line Item 2310*. He explained that this item has a \$60,000 budget of which continuing expenses are \$20,000. However, DMV proposes that the excess \$40,000 be transferred to Data Processing Equipment, to be used for purchase of a new processor. Mr. Knapp pointed out that because Line Item 2310 is 100% funded by Trust Fund receipts, transferring funds to Line Item 2510 would increase appropriation requirements. Discussion followed and it was decided by the Committee to allow the transfer.

The next area Mr. Knapp discussed was *Branch Agent Commissions, Line Item 2314*. He reminded the Committee that this is an area that the Continuation Budget does not reflect the actual workload needs, and that there will be an increase funding requirement. He indicated that an 8 percent growth rate into the future in this cost would be appropriate. This would amount to approximately 2.8 million the first year and 3.9 million the second year. After discussion by the Committee, it was decided to deal with this item in the

Expansion Budget. Mr. Knapp asked the Committee if their preference would be that any other savings that are made in this area would be applied to this line item, as that would reduce the amount needed from the Expansion Budget. The Committee concurred.

Mr. Knapp next referred the Committee to *Postage, Line Item 2323*. He pointed out that the bulk of the increase is due to postage for the Personalized Plate Section, and expenses for this are covered by those fees. Therefore, a reduction for this line item is not recommended.

The next item discussed was *Insurance & Premium Bond, Line Item 2351*. Mr. Knapp said that DMV indicated that a reduction of \$30,000 could be made in this area. He pointed out that this is funded by Trust Fund receipts, therefore, it would be offset by a \$22,500 reduction and the net reduction would be \$7,500. Mr. Knapp proposed that this amount be added to the Branch Agent line.

Mr. Knapp next discussed *Uniforms, Arms, Etc. Line Item 2412*. The recommendation was to remove this line item as these expenses are paid within the Enforcement Section's budget.

The next item discussed was *License Plates & Stickers, Line Item 2443*. Mr. Knapp pointed out that funding requirements for this line item are expected to be above the continuation level. After discussion by the Committee, it was recommended that this item be moved to the Expansion Budget.

Mr. Knapp next discussed *Registration Information Receipts, Line Item 0985 and Acknowledgment Fee Receipts, Line Item 0986*. He recommended that budgeted receipts could be increased to better reflect actual levels in these items. Discussion followed, and the Committee agreed with this action.

The next item discussed was *Driver Licensing, Budget Code 0530 (See Budget Book, Volume 6, Pages 184-186)*. Mr. Knapp referred the Committee to *Line Item 2342, Repairs and Service to Equipment other*, and pointed out that there is a reduction of \$8,000 in this item. DMV has proposed that the remainder be transferred to *Line Item 2524, Driver License Photo Equipment*. Mr. Knapp told the Committee that this is an area where additional funding is needed, as costs have increased above the continuation level.

Mr. Knapp next discussed *Line Item 2347, Repairs and Service - DP Equipment*, and recommended a reduction of \$9,000 in this item.

The next item for discussion was *Line Item 2410, Office Supplies*. Mr. Knapp told the Committee that as a result of a change of charges from this object code to *Printing and Binding, Line Item 2411*, it is recommended that \$70,000 be transferred to Printing and

Binding. He also recommended that based on current prices and quantities required, the authorized budget for Printing and Binding is required to cover costs.

Mr. Knapp next discussed *Line Item 2473, Photographic Supplies*. He indicated that funds are not needed in this area, and recommended transferring \$5,000 to Printing and Binding.

The next item discussed was *Line Item 2511, Office Furniture and Equipment*. Mr. Knapp recommended no change in this item.

Discussion followed by the Committee regarding photographic equipment costs, and **Mr. Wayne Hurder, Director, Driver License**, was recognized to explain these costs. Mr. Hurder told the Committee that the new digitized system is more expensive but also more efficient. He pointed out that the new system produces a much more durable license, and also reduces the amount of fraudulent issues in this area.

Mr. Knapp next turned the Committee's attention to *Budget Code 0540, School Bus and Traffic Safety (See Budget Book, Volume 6, Page 189)*. Referring to *Line Item 2342, Repairs & Service Equipment*, and *Line Item 2352, Dues, Subscriptions, Promotions, Advertising*, DMV indicated the level of authorized funding is not needed due to a change in equipment usage, and proposes transferring additional funds of \$2,000 and \$5,000 respectively to *Line Item 2237, In-State Transportation*.

The next item discussed was *Budget Code 0550, Traffic Records (See Budget Book, Volume 6, Page 190)*. Mr. Knapp referred to *Line Item 0959, Reimbursement NHTSA*, and told the Committee that a decrease in fatalities would mean a decrease in revenue. Therefore, budgeted receipts could be increased to \$20,000. He informed the Committee that reimbursement from the National Highway Safety Administration is based on the number of fatalities.

Mr. Knapp next discussed *Budget Code 0560, International Registration Plan (See Budget Book, Volume 6, Page 192)*. The recommendation was to reduce this item by \$5,000 and transfer the funds to *Line Item 2237, In-State Transportation* to cover costs in that area including the increase in the motor fleet rates. Mr. Knapp pointed out that the motor fleet increase will be about 10%.

The next item was *Line Item 2322, Telephone*, and Mr. Knapp told the Committee a reduction of \$2,000 is possible, of which \$300 would be Trust Fund amounts.

Mr. Knapp next discussed *Budget Code 0570, Enforcement (See Budget Book, Volume 6, Page 196)*. Referring to *Line Item 2233, Educational Expenses*, DMV requested that \$2,186 be transferred to *object 2250 Training Data Processing*, to cover additional training on new computers.

The next item discussed was *Line Item 2236 In-State Subsistence*. Per DMV requests, Mr. Knapp recommended possibly transferring \$213,184 to other transportation codes to fund costs increases in those areas. Discussion followed and the Committee asked for a breakdown of where these funds were going. Mr. Knapp gave the following breakdown:

- \$189,184 - In-State Transportation
- \$ 12,000 - Out of State Subsistence
- \$ 6,000 - Out of State Transportation
- \$ 6,000 - Fleet Rate and Other Travel Expenses

Discussion continued and the Committee decided to flag this item for future consideration.

Mr. Knapp next discussed *Line Item 2347, Repair and Service to DP Equipment*. DMV requested that \$36,000 of this item be transferred to *Line Item 2510, Data Processing Equipment*.

The next item discussed was *Line Item 2469, Motor Vehicle Operations*. Mr. Knapp told the Committee that DMV proposed that \$2,331 be transferred to *Line Item 2474, Shop Supplies and Small Tools*, to cover costs above the budgeted level in this area.

Mr. Knapp next discussed *Line Item 2523, Rent of Other Equipment*. Mr. Knapp told the Committee that because previously pagers and radio installation were charged to this objective code, but are now charged to objects 2322 and 2310, DMV proposes to transfer \$10,000 to object 2310 to cover costs.

The final item of this group was *Line Item 2637, Safety Inspection Investigations*. Mr. Knapp said that DMV proposes that if a bill reducing the salvage inspection workload passes, it would then be possible to reduce this budget to \$18,500 and transfer \$21,500 to *2511 Data Processing Equipment*.

Representative Sutton referred to a previous discussion, which had been flagged by the Committee, on *Line Item 2236 In-State Subsistence*, and a request made by DMV to transfer \$213,184 to other transportation codes to fund costs increases in those areas. He made a motion to transfer these funds as requested. The motion passed.

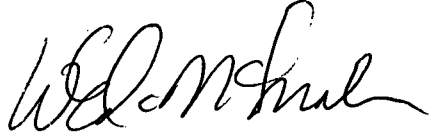
Mr. Knapp next discussed DMV Permanent Position changes (See Chart Attachment II and Worksheet Attachment III). Discussion followed by the Committee. **Carol Simon, Budget Officer**, was recognized to address the issue of salaries. She explained to the Committee that the salary listed was the last salary posted for that position, but this could change according to the circumstances of the new person hired. **Mr. Ed Carr, Assistant Commissioner**, was recognized to explain to the Committee staffing requirements. He said that evaluations had been taking place on the vacancy positions. He also pointed out that a lot of the work had been done by temporary personnel in the meantime, and they

Joint Appropriations/sub-Transportation Committee
March 18, 1997

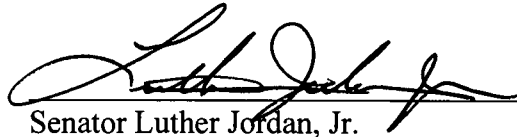
are in the process of eliminating the temporary personnel now that the implementation has taken place. Discussion continued by the Committee.

Representative Hyatt moved that these positions be left in as recommended. Motion passed.

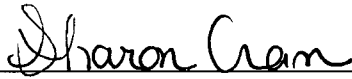
The meeting adjourned at 9:30 A.M.



Representative W. Edwin McMahan
Co-Chair



Senator Luther Jordan, Jr.
Co-Chair



Sharon Cram
Committee Clerk

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Sub-Committee Transportation

Name of Committee

3-18-97
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

Wayne Stallings	NCDOT
Mitch Aepf	OSBM
Shirley J. Juntun #	DOT/DMV/SBTs
Wayne Hudson	DOT - DMV
ED CARR	DMV
Hope Moringe	DMV - Enforcement
DAVID RICHARDS	DMV - ENF
Jerry Arrowood	DMV - ENF.
Sarah Howard	DMV - Veh. Reg.
Mike Bauman	CC + PS
Joe Stewart	CC PS
EW Horton	CC PS - SHP
Gene Cella	DMV
Casey Smith	DOT

DMV FLAGGED ITEMS

March 18, 1997

0520 VEHICLE REGISTRATION

2250 TRAINING - DATA PROCESSING

1996-97 Authorized	\$5,000
1995-96 Actual	\$ 0
1994-95 Actual	\$ 610
1993-94 Actual	\$ 540
1992-93 Actual	\$ 429

DMV COMMENTS - The section is converting from using dumb terminals to using personal computers and will need to train employees on new data processing equipment purchased through the DOT Computer Reserve.

PROPOSED CHANGE TO APPROPRIATION: \$0

2310 PROFESSIONAL FEES

1996-97 Authorized	\$60,000
1995-96 Actual	\$19,118
1994-95 Actual	\$ 3,336
1993-94 Actual	\$24,469
1992-93 Actual	\$34,781

DMV COMMENTS - Funds in this category have been spent on a variety of services, including security and armored car service at the Charlotte office, as well as, reprogramming of remittance processing equipment used for mail-in renewals. Continuing expenses in this area are approximately \$20,000. After June 30, 1997, the manufacturer will no longer offer service and maintenance on the remittance processing equipment. The three processors were purchased between 1990 and 1994 at a cost of \$89,000 each. The three machines could be replaced by two newer machines at a cost of \$55,000 per machine. DMV proposes that the excess \$40,000 in this area be transferred to 2510 Data Processing Equipment, to be used for purchase of a new processor. Because 2310 is 100% funded by Trust Fund receipts, transferring funds to 2510 would increase appropriation requirements.

PROPOSED CHANGE TO APPROPRIATION: \$0 (possible transfer to 2511. This would increase appropriations for 2511 by \$40,000)

2314 BRANCH AGENT COMMISSIONS

Expenses are dependent upon consumer demand and are expected to increase above the continuation level. Any available receipts and excess funds in the division were used to cover expenses above what is budgeted. DMV proposes that \$260,000 in increased vehicle registration receipts be added to this. DMV projections of spending requirements indicate that an 8 percent growth rate would lead to an additional 1997-98 requirement of \$2,834,172 and an additional 1998-99 requirement of \$3,902,268.

PROPOSED CHANGE TO APPROPRIATION: +\$2,834,172 in 1997-98 and \$3,902,268 in 1998-99.

2323 POSTAGE

	<u>General</u>	<u>Special Plate</u>	<u>Total</u>
1996-97 Authorized	\$13,941	\$97,748	\$113,389
1995-96 Actual	\$11,956	\$81,278	\$ 92,874
1994-95 Actual	\$ 7,891	\$86,450	\$ 94,341
1993-94 Actual	\$ 7,605	\$81,490	\$ 89.095

DMV COMMENTS - The bulk of the increase between 1995-96 and 1996-97 is due to postage for the Personalized Plate Section. Expenses for this section are covered by fees for personalized plates.

PROPOSED CHANGE TO APPROPRIATION: \$0

2351 INSURANCE & PREMIUM BOND

1996-97 Authorized	\$41,043
1995-96 Actual	\$ 8,844
1994-95 Actual	\$ 9,042
1993-94 Actual	\$41,043
1992-93 Actual	\$41,043

DMV COMMENTS - Continuing requirements are approximately \$10,000. Part f the costs in this category are funded by Trust Fund receipts. A reduction of \$30,000 would be offset by a \$22,500 reduction in Trust Fund receipts, for a net reduction of \$7,500. DMV proposes that the \$7,500 be transferred to branch agent commissions.

PROPOSED CHANGE TO APPROPRIATION: -\$7,500

2412 UNIFORMS, ARMS, ETC.

1996-97 Authorized	\$1,409
1995-96 Actual	\$ 0
1994-95 Actual	\$ 0
1993-94 Actual	\$ 0
1992-93 Actual	\$ 0

DMV COMMENTS - Funds to purchase ammunition used for firearms recertification by field supervisors who are law enforcement certified. Costs are paid within the Enforcement Section's budget.

PROPOSED CHANGE TO APPROPRIATION: -\$1,409

2443 LICENSE PLATES & STICKERS

1996-97 Authorized	\$3,935,514
1995-96 Actual	\$3,373,581
1994-95 Actual	\$3,447,648
1993-94 Actual	\$2,636,163
1992-93 Actual	\$2,789,695

DMV COMMENTS - Authorized level includes expansion funds granted in the 1995 Short Session to cover sales of new plates. Expenses are dependent upon consumer demand. Any available receipts and excess funds in the division were used to cover expenses above what is budgeted. Actual funding requirements are expected to be above the continuation level. DMV projections of spending requirements based upon a 4 percent growth rate indicate additional requirements of \$226,291 in 1997-98 and \$392,763 in 1998-99.

PROPOSED CHANGE TO APPROPRIATION: +\$226,291 in 1997-98 and +\$392,763 in 1998-99.

0985 REGISTRATION INFORMATION RECEIPTS

Budgeted receipts can be increased to better reflect actual levels.

PROPOSED CHANGE TO APPROPRIATION: -\$225,000

0986 ACKNOWLEDGMENT FEE RECEIPTS

Budgeted receipts can be increased to better reflect actual levels.

PROPOSED CHANGE TO APPROPRIATION: -\$35,000

0530 DRIVER LICENSE

2342 REPAIRS AND SERVICE TO EQUIPMENT OTHER

1996-97 Authorized	\$63,000
1995-96 Actual	\$52,916
1994-95 Actual	\$44,333
1993-94 Actual	\$55,614
1992-93 Actual	\$51,444

DMV COMMENTS - Continuing requirement is approximately \$55,000. DMV proposes that the remainder be transferred to 2524 Driver License Photo Equipment.

PROPOSED CHANGE TO APPROPRIATION: -\$8,000

2347 REPAIRS AND SERVICE - DP EQUIPMENT

1996-97 Authorized	\$29,000
1995-96 Actual	\$12,770
1994-95 Actual	\$11,260
1993-94 Actual	\$13,219
1992-93 Actual	\$11,513

DMV COMMENTS - Continuing requirement is approximately \$20,000

PROPOSED CHANGE TO APPROPRIATION: -\$9,000

2410 OFFICE SUPPLIES

1996-97 Authorized	\$151,840
1995-96 Actual	\$ 64,021
1994-95 Actual	\$ 97,933
1993-94 Actual	\$104,486
1992-93 Actual	\$136,899

DMV COMMENTS - In past years, printing of certain were charged to this object code, but now are charged to object 2411 Printing. DMV proposes that \$70,000 be transferred to Printing and Binding.

PROPOSED CHANGE TO APPROPRIATION: -\$0 (transfer \$70,000 to 2411)

2411 PRINTING AND BINDING

1996-97 Authorized	\$182,825
1995-96 Actual	\$117,165
1994-95 Actual	\$192,919
1993-94 Actual	\$139,400
1992-93 Actual	\$ 87,265

DMV COMMENTS - Based on current prices and quantities required, authorized budget is needed to cover costs.

PROPOSED CHANGE TO APPROPRIATION: \$0

2473 PHOTOGRAPHIC SUPPLIES

1996-97 Authorized	\$5,000
1995-96 Actual	\$ 0
1994-95 Actual	\$ 0
1993-94 Actual	\$2,690
1992-93 Actual	\$2,665

DMV COMMENTS - Funds are not needed in this area. DMV proposes to transfer \$5,000 to 2411 Printing and Binding.

PROPOSED CHANGE TO APPROPRIATION: -\$5,000 (possible transfer to 2411)

2511 OFFICE FURNITURE AND EQUIPMENT

1997-98 continuation level is \$60,089 above 1995-96 actual level, even after one-time increases for 1996-97 are removed.

DMV COMMENTS - Additional funds in 1997-98 are included to replace microfilm and bar code equipment (\$114,000) and to replace copiers in 12 field offices (\$18,000).

PROPOSED CHANGE TO APPROPRIATION: \$0

2524 DRIVER LICENSE PHOTO EQUIPMENT

These costs are expected to increase above the continuation level. DMV projections of spending requirements based upon an 8 percent growth in transactions indicates that \$208,444 will be required in 1997-98 and \$416,598 will be required in 1998-99.

PROPOSED CHANGE TO APPROPRIATION: +\$208,444 in 1997-98 and +\$416,598 in 1998-99.

0540 SCHOOL BUS AND TRAFFIC SAFETY

2342 REPAIRS & SERVICE EQUIPMENT

1996-97 Authorized	\$4,841
1995-96 Actual	\$1,561
1994-95 Actual	\$2,170
1993-94 Actual	\$3,696
1992-93 Actual	\$2,327

DMV COMMENTS - Due to a change in equipment usage, the level of authorized funding is not needed for this purpose. DMV proposes to transfer \$2,000 to 2237 In-State transportation to cover costs above budget in this area, including increases in the motor fleet rate.

PROPOSED CHANGE TO APPROPRIATION: -\$2,000 (possible transfer to 2237)

2352 DUES, SUBSCRIPTIONS, PROMOTIONS, ADVERTISING

1996-97 Authorized	\$47,200
1995-96 Actual	\$36,267
1994-95 Actual	\$29,028
1993-94 Actual	\$35,589
1992-93 Actual	\$69,230

DMV COMMENTS - At this time, film and video costs do not warrant the authorized level of funding. DMV proposes to transfer \$5,000 to 2237 In-State transportation to cover costs above budget in this area, including increases in the motor fleet rate.

PROPOSED CHANGE TO APPROPRIATION: -\$5,000 (possible transfer to 2237)

0550 - TRAFFIC RECORDS

0959 REIMBURSEMENT NHTSA

1996-97 Authorized	\$12,600
1995-96 Actual	\$36,817
1994-95 Actual	\$72,066
1993-94 Actual	\$47,042
1992-93 Actual	\$49,885

DMV COMMENTS - Reimbursement from the National Highway Safety Administration is based on the number of fatalities. A decrease in fatalities would mean a decrease in revenue. Budgeted receipts could be increased to \$20,000.

PROPOSED CHANGE TO APPROPRIATION: -\$7,400

0560 INTERNATIONAL REGISTRATION PLAN

2238 OUT-OF-STATE TRAVEL AND SUBSISTENCE

1996-97 Authorized	\$9,503
1995-96 Actual	\$2,931
1994-95 Actual	\$3,370
1993-94 Actual	\$5,720
1992-93 Actual	\$1,675

DMV COMMENTS - IRP out of the state travel funding can be reduced by \$5,000. DMV proposes that the funds be transferred to 2237 In-State Transportation to cover costs in that area including the increase in the motor fleet rates.

PROPOSED CHANGE TO APPROPRIATION: -\$5,000 (possible transfer to 2237)

2322 TELEPHONE

The 1997-98 continuation level is 28 percent higher than the 1995-96 actual. OSBM allowed only a 6.1 percent increase. Costs in this area are partially funded through the Trust Fund.

DMV COMMENTS - A reduction of \$2,000 is possible, of which \$300 would be Trust Fund amounts..

PROPOSED CHANGE TO APPROPRIATION: -\$1,700

0570 ENFORCEMENT

2233 - EDUCATIONAL EXPENSES

1996-97 Authorized	\$6,351
1995-96 Actual	\$1,025
1994-95 Actual	\$5,339
1993-94 Actual	\$3,041
1992-93 Actual	\$5,929

DMV COMMENTS - Expenses for manuals are \$4,165. Funding above this level is not required. Due to the purchase of additional computers, additional training will be required; therefore, plan to transfer \$2,186 to object 2250 Training Data Processing.

PROPOSED CHANGE TO APPROPRIATION: -\$2,186 (possible transfer to 2250)

2236 IN-STATE SUBSISTENCE

1996-97 Authorized	\$420,293
1995-96 Actual	\$207,109
1994-95 Actual	\$106,750
1993-94 Actual	\$101,078
1992-93 Actual	\$121,480

DMV COMMENTS - 1995 expansion funds for additional personnel and additional training expenses were requested. Only the training funds were approved; therefore, the authorized funding level exceeds need. DMV proposes that \$213,184 be transferred to other transportation object codes to fund cost increases in those areas, including the increase in the motor fleet rate, which is expected to increase DMV Enforcement costs by over \$400,000.

PROPOSED CHANGE TO APPROPRIATION: -\$213,184 (possible transfer to other transportation codes)

2347 REPAIR AND SERVICE TO DP EQUIPMENT

1996-97 Authorized	\$46,167
1995-96 Actual	\$ 8,401
1994-95 Actual	\$ 8,939
1993-94 Actual	\$ 8,473
1992-93 Actual	\$ 6,453

DMV COMMENTS - Much of the computer equipment currently utilized by Enforcement is old and not under maintenance contracts. It is more cost effective to replace this equipment than service it. DMV proposes to transfer \$36,000 to 2510 to continue to replace equipment as needed.

PROPOSED CHANGE TO APPROPRIATION: \$36,000 (possible transfer to 2510)

2469 MOTOR VEHICLE OPERATIONS

1996-97 Authorized	\$11,831
1995-96 Actual	\$ 5,535
1994-95 Actual	\$ 7,238
1993-94 Actual	\$ 8,291
1992-93 Actual	\$ 8,473

DMV COMMENTS - Flares, battery cables, sticker renewal and supply auto repairs are spent from this line which vary depending upon need. Average annual expenses for this line item has been \$7,713. Based upon potential increases in motor vehicle operation costs due to sharing of delivery duties with the Driver License section, \$9,500 will be needed each year. DMV proposes that the remainder be transferred to 2474 Shop Supplies and Small Tools to cover costs above the budgeted level in this area.

PROPOSED CHANGE TO APPROPRIATION: -\$2,331 (possible transfer to 2474)

2523 RENT OF OTHER EQUIPMENT

1996-97 Authorized	\$12,232
1995-96 Actual	\$ 1,065
1994-95 Actual	\$13,287
1993-94 Actual	\$13,813
1992-93 Actual	\$11,066

DMV COMMENTS - Previously pagers and radio installation were charged to this objective code but are now being charged to objects 2322 and 2310 respectively. DMV proposes to transfer \$10,000 to object 2310 to cover anticipated costs.

PROPOSED CHANGE TO APPROPRIATION: -\$0 (transfer \$10,000 to 2310)

2637 SAFETY INSPECTION INVESTIGATIONS

1996-97 Authorized	\$40,000
1995-96 Actual	\$ 8,191
1994-95 Actual	\$ 8,332
1993-94 Actual	\$11,634
1992-93 Actual	\$17,551

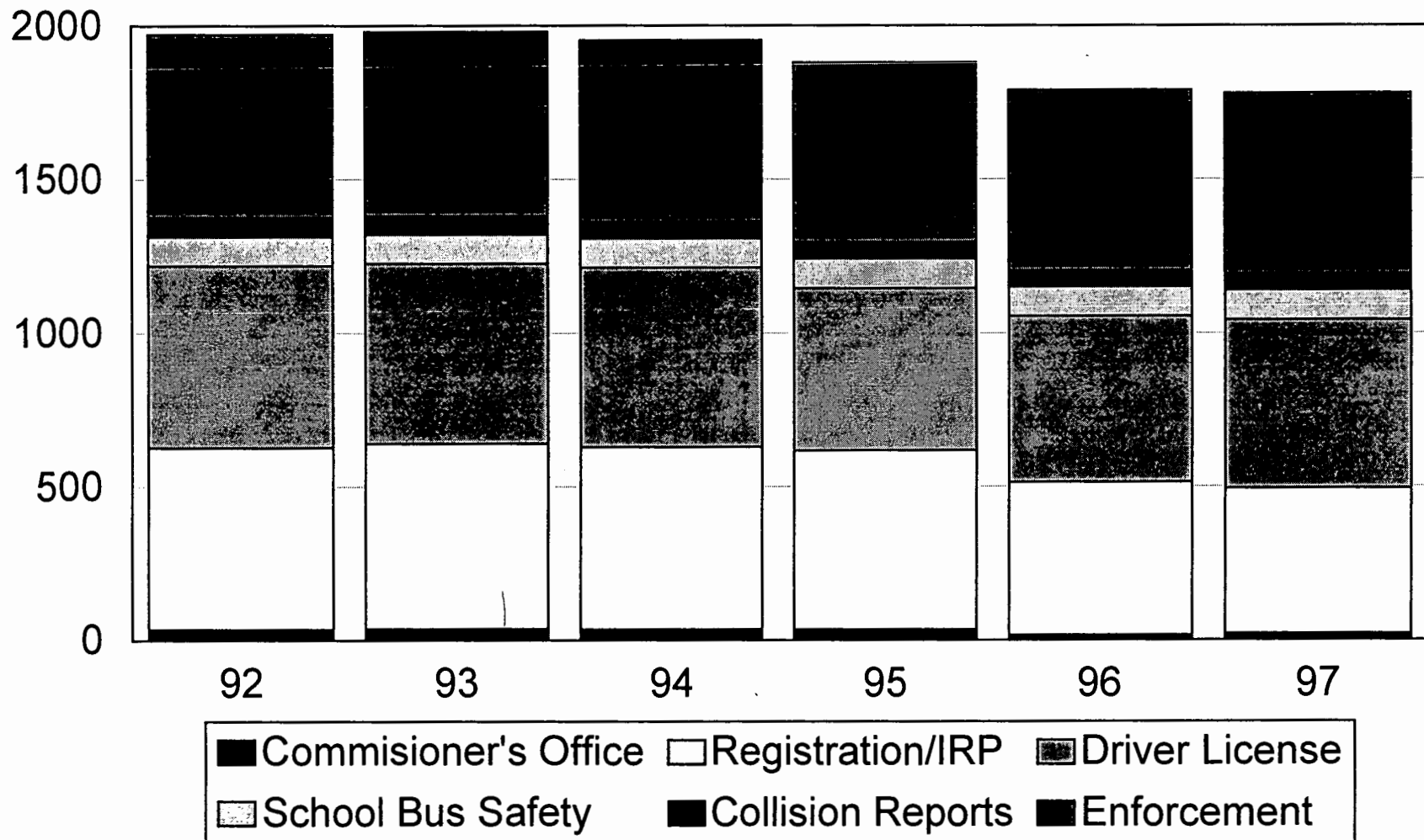
DMV COMMENTS - During 1995-96, 885 safety inspections were conducted. If a bill reducing the salvage inspection workload passes, the time available would allow 2,000 inspections to be conducted at a cost of \$18,500. DMV proposes that the remaining \$21,500 be transferred to 2511 Data Processing Equipment.

PROPOSED CHANGE TO APPROPRIATION: -\$25,000

DMV Permanent Positions

As of June 30*

II



* For 1997, as of March 6

DMV Permanent Positions

Program	June 30, 1992	June 30, 1993	June 30, 1994	June 30, 1995	June30, 1996	March 6, 1997
Commissioner and Support	35	37	35	34	16	20
Registration/IRP	593	604	595	584	498	473
Driver License	592	586	584	528	541	550
School Bus Safety	94	94	94	96	96	97
Collision Reports	63	59	54	53	53	53
Enforcement	595	600	590	585	585	585
Total	1972	1980	1952	1880	1789	1778

Pos. No.	Fund	Classification	Date Vacated	Salary	Duties	Why Vacant?	If filled by temp, what is annual wage of temp?	Why shouldn't position be eliminated?
4270-2302-0067-005	Driver License	Driver License Examiner	12/7/95	\$22,670		Employee on short-term disability. Employee has applied for long-term disability 2/6/97. Requested letter of resignation.	n/a	Is needed due to increase of workload.
4270-2003-0100-051	Driver License	Asst. District Supervisor.	11/1/95	\$27,947		Was transferred from Forsyth Co. to Wake Co.	n/a	Was transferred and upgraded to provide service on Examiner Help Desk. Helps serve public more quickly. Loss of position would cause deterioration in service.
4270-4006-0000-001	Collision Reports	Processing Unit Supervisor I	1/13/96	\$25,088	Supervise the Post Evaluation Unit. This unit was the clerical support group for the administration of the Financial Responsibility statutes.	Interfaces with both vehicle and driver, and the automation of the two systems directly impacted the functions within Evaluation. Uncertainty of the impact is the reason for remaining vacant.	n/a	All vacant positions within DMV are needed as part of the staffing for the newly created Customer Merge Unit. This position is one that will be considered.
4270-4003-0000-004	Collision Reports	Processing Asst IV	3/31/94	\$24,305	Clerical support for the administration of the Financial Responsibility statutes.	Interfaces with both vehicle and driver, and the automation of the two systems directly impacted the functions with Evaluation. Uncertainty of the impact is the reason for remaining vacant.	n/a	All vacant positions within DMV are needed as part of the staffing for the newly created Customer Merge Unit. This position is one that will be considered.
4270-4006-0000-004	Collision Reports	Processing Asst III	11/11/96	\$20,123	Enter information from accident reports into a database to produce statistical information.	Employee was on LWOP - Family Medical and went on Long Term Disability effective 11/11/96.	n/a	All vacant positions within DMV are needed as part of the staffing for the newly created Customer Merge Unit. This position is one that will be considered.

Pos. No.	Fund	Classification	Date Vacated	Salary	Duties	Why Vacant?	If filled by temp, what is annual wage of temp?	Why shouldn't position be eliminated?
4270-1010-3004-606	0521	Processing Asst IV	6/30/94	\$18,826	Title examining registration documents.	Waiting to determine the effect of STARS and numbers of employees to be reassigned because of the automation of section functions.	n/a	All vacant positions within DMV are needed as part of the staffing for the newly created Customer Merge Unit. This position is one that will be considered.
4270-1021-1210-607	0521	Processing Asst III	1/11/96	\$17,457	Processing and filming registration documents.	Not needed as a result of Document Imaging with STARS.	n/a	All vacant positions within DMV are needed as part of the staffing for the newly created Customer Merge Unit. This position is one that will be considered.
4270-1021-3013-012	0521	Processing Asst II	5/1/94	\$15,434	Processing personalized plates for issuance and mailing.	Waiting to evaluate the effect of STARS and to determine other employees whose jobs have been eliminated who may be reassigned to this unit.	n/a	All vacant positions within DMV are needed as part of the staffing for the newly created Customer Merge Unit. This position is one that will be considered.
4270-1021-6213-829	0521	Data Entry Supervisor II	1/26/96	\$26,309	Supervisor of small data entry pool.	Waiting to evaluate the effect of STARS and to determine other employees whose jobs have been eliminated who may be reassigned to this unit.	n/a	All vacant positions within DMV are needed as part of the staffing for the newly created Customer Merge Unit. This position is one that will be considered.

Pos. No.	Fund	Classification	Date Vacated	Salary	Duties	Why Vacant?	If filled by temp, what is annual wage of temp?	Why shouldn't position be eliminated?
4270-1000-001-016	0521	Processing Asst IV	12/1/94	22,422	Title examining responsibilities.	Waiting to determine effect STARS would have not his unit.	n/a	All vacant positions within DMV are needed as part of the staffing for the newly created Customer Merge Unit. This position is one that will be considered.
4270-1010-1002-204	0521	Processing Asst IV	3/1/95	\$22,015	Title examining responsibilities.	Waiting to determine effect STARS would have on the unit.	n/a/	All vacant positions within DMV are needed as part of the staffing for the newly created Customer Merge Unit. This position is one that will be considered.
4270-1021-6113-702	0521	Processing Asst IV	2/28/95	\$26,640	Processing information received from Insurance Hearings Officer.	Waiting to evaluate effect of STARS and to determine number of employees to be relocated as a result of automation of manual processes.	n/a/	All vacant positions within DMV are needed as part of the staffing for the newly created Customer Merge Unit. This position is one that will be considered.
4270-1000-0001-961	0521	Data Entry Operator II	3/13/95	\$17,764	Entering liability insurance information in the computer.	Position was being held vacant pending the outcome of STARS implementation.	n/a/	Problems with the STARS Program interfaced with liability insurance may require us to fill this position.
4270-1010-3004-600	0521	Title Examining Supervisor III	10/11/95	\$29,805	Manager of Quality Assurance Unit.	Employee was on short term disability, approved for long term disability 10/16/96.	n/a	Plans are to post and fill as soon as possible.

Pos. No.	Fund	Classification	Date Vacated	Salary	Duties	Why Vacant?	If filled by temp, what is annual wage of temp?	Why shouldn't position be eliminated?
4270-1021-2012-804	0521	Stock Clerk II	10/26/94	\$17,175	Filling orders for supplies for tag agents.	Not needed.	n/a	All vacant positions within DMV are needed as part of the staffing for the newly created Customer Merge Unit. This position is one that will be considered.
4270-1000-001-900	0521	Computer Consultant IV	2/1/95	\$38,226			n/a	This position was reallocated to Computer Consultant IV effective 10/5/96 based on changes needed of Division. Position will be posted and filled.

**Transportation Administration
Budget Code (84210)**

Remaining Issues

Board of Transportation (0110)

-The Board of Transportation has consistently spent less than its authorized budget as shown below:

1995-96	\$126,352	\$70,424	\$55,928
1994-95	\$126,352	\$95,577	\$30,775
1993-94	\$126,352	\$86,756	\$39,596
1992-93	\$126,352	\$60,093	\$66,259

Board expenditures for 1996-97 through December 31, 1996 were \$28,624. DOT acknowledges that this budget could be reduced by \$26,000 (\$16,000 -per diem, \$10,000 board expenses).

Beautification Programs (0140)

Dues, Subscriptions, and Promotions (2352)

For the 1995-97 biennium, the General Assembly reduced the Beautification Program's budget for Dues, Subscriptions, and Promotions (2352) for the first year of the biennium by \$40,000. This reduction was made because it was assumed that safety vests and litter bags for Adopt-A-Highway volunteers could be purchased every other year. DOT has provided details of the expenses from this line item for the last two years and the planned expenditures for the current year and first year of the continuation budget in the attached charts. These charts are summarized in an additional chart. Prior year expenditures indicate that funds from this line item have not been fully utilized, and the planned expenditures for this year will also leave a surplus.

Use of inmates for highway clean-up

The Committee requested that DOT indicate how inmates were being used for highway clean-up and other maintenance activities. The attached charts show 1) the total hours worked by and funds expended on inmate labor during 1995-96, and 2) the amount of inmate time spent on a variety of maintenance activities. Highway clean-up represents a small portion of inmate work activities.

Management Assessment (0160)

The Committee questioned whether the performance measures for the Management Assessment area indicated that 90 percent of all DOT facilities were subject to theft, vandalism, or internal loss, and asked to know the extent of such problems at DOT facilities. DOT indicates that the 90 percent figure represents the portion of DOT facilities that are inspected each year to determine the potential for loss and vandalism. The attached pages show the security duties of the Management Assessment program and indicate the number of theft, vandalism, and loss incidents at DOT facilities during 1996.

Fiscal Section (0210)

During 1995-96, the Fiscal Section spent \$26,290 on employee travel and subsistence (2236-2240), compared to a recommended continuation budget of \$58,667. The Committee asked if the budget for these items could be reduced. DOT provided the attached response indicating that surplus amounts in these items had been previously used to purchase computer equipment, and that any cut in travel and subsistence should be matched by an increase in funds for data processing and software.

General Services (0240)

The General Services Division had two long-term positions vacancies that were considered for elimination by the Committee. DOT indicated that it proposed to reclassify and reassign these positions to facility maintenance duties as part of its consolidation of DOT and DMV general services functions. The attached page shows the function in DOT and DMV that were consolidated. DOT will make a presentation on the consolidation and the vacant positions.

Internal Audit (0250)

None of the \$4,000 budgeted for educational expenses (2233) were spent during 1995-96. Little or no expenditures have been made from this line item in recent years. DOT indicates that this line item is used only for tuition and materials related to degree based coursework. Fees for training programs are paid for out of the line for other employee travel expenses (2240). Expenditures for this line item in 1995-96 were above the 1997-98 continuation level, funds having been transferred from other travel object codes. If funding is available for non-degree training through travel funds, the educational expense line could be reduced.

Director of Administration (0290)

Professional fees (2310)

Expenditures for 1995-96 were \$345,170, compared to a 1997-98 continuation recommendation of \$450,000. Prior year expenditures were also below the \$450,000 amount. These fees are paid primarily for security at the Century Center complex and to reimburse the Department of Environment, Health, and Natural Resources and the Department of Cultural Resources for assistance provided in preparing DOT environmental permit applications. Funds are not expected to greatly exceed the current expenditure level and a reduction of \$50,000 could be implemented. These fees are entirely funded by the Trust Fund reimbursement, so there would be no net effect on Highway Fund appropriations requirements.

Receipts from commuting fees (0994)

DOT employees on 24-hour call who are provided with a vehicle must reimburse DOT for the cost of using that vehicle to commute to work. No amount is budgeted in the receipts line for these expenses despite the fact that they are received each year. Fees received have been above \$185,000 for each of the last four years. DOT indicates that \$185,000 of receipts could be budgeted for this item.

Aeronautics (0350)

The 1995-96 actual expenditures for fuel charges (2451) equipment rental (2522) were above the 1997-98 continuation budget level. Fuel funds are paid to fuel vendors at the airports where aircraft refuel. Equipment rental payments are made to the DOT equipment fund for use of DOT aircraft. Payments in both categories have been below the 1997-98 budgeted level for several years. These costs vary from year to year depending upon fuel prices and the amount of time DOT aircraft are available for use.

Ferry Division (0660)

The Ferry Division regularly makes direct charges to work orders and shows them as receipts (0910), but no receipts are budgeted for this item. Direct charges are made to work orders when Ferry Division employees travel to oversee the construction of new ferries. DOT indicates that ferry construction during 1997-98 should result in direct charges of \$10,000 and that receipts in that amount could be budgeted for that year.

Highway Beautification Program
Object Code 2352

	Actual <u>1994-95</u>	Actual <u>1995-96</u>	Planned <u>1996-97</u>	Planned <u>1997-98</u>
Volunteer Equipment (ie: safety vests)	\$31,182	\$20,239	\$9,000	\$11,200
Highway Beautification Council Expenses	\$0	...	\$2,500	\$10,000
Television Programming	...	...	\$18,000	\$18,000
Newspaper Ads	...	...	\$14,000	\$28,000
Courses for public school personnel	...	...	...	...
Videos for schools	...	...	\$11,800	\$23,600
Litter Hotline	...	...	\$10,000	...
Road Signs	\$18,318	...	...	...
Other	<u>\$4,717</u>	<u>\$5,089</u>	<u>\$1,221</u>	<u>\$1,221</u>
Total	\$54,217	\$25,328	\$66,521	\$92,021
Authorized Budget	\$79,937	\$47,000	\$91,500	\$91,500

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
OFFICE OF BEAUTIFICATION PROGRAMS

Anticipated Charges To Account 352
1997-98 BUDGET

<u>Item</u>	<u>Number/Cost</u>	<u>Amount</u> (Rounded)
Plaques (5-year awards)	7 @ \$18.66 ea	\$131
Magnets w/logo	5,000 @ \$0.193 ea	\$965
Manual	1 @ \$39.95 + \$6.29 postage	\$46
Subscription, Communication Briefings	1 Year @ \$79	\$79
Orange Safety Vests for "The Great Trash Bash"	20,000 @ \$.46 each	\$9,200
Pick up sticks	\$5 each	\$2,000
Governors Highway Beautification Council Expenses *	4 meetings	\$10,000
State Telecommunications	2X 1 hour program on litter	\$18,000
Public Service Annoucement (radio)	30 second ad	?
Litter Awareness Announcements (newspaper)	4 ads statewide	\$28,000
Educational lessons	2500 principals/ superintendents	?
Educational videos (different one each year.)	118 school districts @ \$200	\$23,600
TOTAL		\$92,021

* Since there has never been a budget for the Council the expenses have always unofficially come out of this line.

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
OFFICE OF BEAUTIFICATION PROGRAMS

CHARGES TO ACCOUNT 352
1996-97 BUDGET

<u>Item</u>	<u>Number/Cost</u>	<u>Amount</u> (Rounded)
Plaques (5-year awards)	7 @ \$18.66 ea	131
Magnets w/logo	5,000 @ \$0.193 ea	965
Manual	1 @ \$39.95 + \$6.29 postage	46
Subscription, Communication Briefings	1 Year @ \$79	79
Sub-Total		\$1,221
Anticipated 1996-97 Expenses to be paid from budget account #352		
Orange Safety Vests for "The Great Trash Bash"	100 cases (120 vests per case) @ \$60 per case	\$ 6,000
Pick-up Sticks - (we are currently out of pick-up sticks)	50 Doz @ \$5 each	3,000
Governors Highway Beautification Council Expenses *	1 (of 4) meeting	\$ 2,500
State Telecommunications	1 hour program on litter	\$ 18,000
Public Service Announcement (radio)	30 second ad	\$?
Great Trash Bash Announcements (newspaper)	1 Sunday ad statewide	\$ 14,000
Hotline-volunteers dial-in litter cleanings (upgrade) **	One time computer program upgrade	\$ 10,000
Educational lessons	2500 principals/ superintendents	\$?
Educational videos	118 school districts @ \$100	\$ 11,800
Subtotal		\$ 65,300
TOTAL		\$ 66,521

* Since there has never been a budget for the Council the expenses have always unofficially come out of this line.

** Since this is an infrequent telephone expense, it also comes in this line item.

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
OFFICE OF BEAUTIFICATION PROGRAMS

CHARGES TO ACCOUNT 352
1995-96 BUDGET

<u>Item</u>	<u>Number/Cost</u>	<u>Amount</u> (Rounded)
Orange Safety Vests	20,000 @ \$0.46 ea	\$ 9,200
Recycling Bags	75 cases @\$32.18 per case	2,414
Pick-up Sticks	800 ea @ \$5 ea	4,000
Car Litter Bags	100,000 @ \$46.25 per thousand	4,625
Plaques (5-Year Awards)	103 @ \$18.66 ea + 7 mailing boxes @ \$0.55 ea	1,925
Bumper Stickers w/logo	6,500 @ \$0.15 ea	975
Pencils w/logo	5,000 @ \$0.19 ea	950
Balloons w/logo	10,000 @ \$0.99 per thousand	990
Keep NC Clean and Green Poster w/logo	1 @ \$213	213
Wildflower Posters	2 @ \$18 ea	36
Total		\$25,328

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
OFFICE OF BEAUTIFICATION PROGRAMS

CHARGES TO ACCOUNT 352
1994-95 BUDGET

<u>Item</u>	<u>Number/Cost</u>	<u>Amount</u> (Rounded)
Orange Safety Vests	25,000 @ \$0.50 ea	\$ 12,500
Pick-up Sticks	100 Doz @ \$61.50 a dozen	6,150
Car Litter Bags (w/logo)	200,000 @ \$45 a thousand	9,000
Plaques (5-year awards)	142 @ \$16.75 to \$27.99	2,637
Recycling bags	82 cases @ \$32.02 ea	3,037
Magnets w/logo	5,500 @ \$0.16 ea	880
Anti-Littering \$1000 Fine		
Signs erected on roadsides	1,200 @ \$8 ea	9,600
Keep NC Clean and Green		
Signs erected on roadsides	280 @ \$26.76 ea	7,493
Keep NC Clean and Green		
Signs - Miniature	100 @ \$11.75 ea + \$50 set-up fee	1,225
Car Litter Bag Stands	100 @ \$4.95 ea	495
Buttons w/logo	5000 @ \$0.18 ea + \$50 set-up fee	950
AAH PSA Videotapes	7 @ \$13 ea	91
WRAL TV Promo Video	1 @ \$32	32
AAH-Wildflower PSA Videos	5 @ \$11 ea	55
Style Manual	1 @ \$32	32
Wildflower Promo Pictures	1 @ \$40	40
	Total	\$54,217

GENERAL INFORMATION

Total Number of Incidents in Raleigh:	46
Total cost of incidents:	\$10,783
Total Number of Incidents in Divisions/DMV:	176
Total cost of incidents:	\$204,414

INCIDENTS:

Security Section responds to any theft, vandalism, etc. that warrants further investigation. This can result from employee involvement, continuous occurrences of incidents in a specific area, momentary value or by request of management. Response is also done upon request of local law enforcement.

If response is made by request or if response is made due to nature of incident, an investigation is made.

Work in conjunction with local law enforcement and/or SBI.

If employee is involved, personnel action is performed by Head of Unit/Section.

PHYSICAL SECURITY:

Perform field physical inspections of all division yards: check for lighting, fences, key control, inventory of personal tools, debris around fences, etc.

Recommend corrections to problems in writing to area supervisor and Division Engineer.

SECURITY GUARDS:

Secure doors after normal working hours.

Unlock doors at beginning of work day.

Raise and lower flags.

Make security rounds through buildings and check outside doors during each hour.

Greet and sign in employees during weekends and holidays.

Report any incidents in building to State Capitol Police and Head of Security.

Respond to fire alarm activations and take appropriate actions.

Provide assistance for groups using auditorium.

SPECIFIC DUTIES:

Internal Investigations

Workplace Violence Incidents

Key Control

Security Guard Standard Operating Procedures

Evacuation Procedures

Portable Radio System

Comments Concerning the DOT Travel Line Items

Travel and subsistence in the DOT Fiscal Section is used primarily for performing audits of engineering firms, utility companies, and railroads. Several of our audit positions are Trust Fund supported and so a substantial portion of the budget in each line item is also Trust Fund supported. The ratios are as follows:

	<u>Trust Fund</u>	<u>Hwy Fund</u>
2236 In State Subsistence	11,150	9,463
2237 In State Transportation	6,550	5,221
2238 Out of State Subsistence	5,950	10,163
2239 Out of State Transportation	3,850	4,011
2240 Other Travel Expenses	<u>250</u>	<u>2,059</u>
Total	27,750	30,917

The Trust Fund positions and related travel were added about two years ago. There were long delays in filling the positions and so travel funds have not been utilized to the level anticipated to date. We anticipate spending about \$40,000 from these accounts in the current year. This would suggest that an \$18,000 decrease in the whole group of accounts would not constrain us.

However, in the past three years we have transferred the surplus travel money to the Data Processing Equipment and Software line items to replace personal computers. We have 120 personal computers in the DOT fiscal section plus a file server and various peripherals. If we assume a 5 year useful life (a liberal assumption) we would need to replace 24 per year to keep current. The annual cost would be \$120,000. Our authorized budget of \$80,200 is insufficient. I would request that any decrease in travel line items be offset by an increase in data processing equipment and software.

If an absolute cut in travel is required, the question becomes how much should be taken from the Highway Fund appropriation. Given the ratio in the accounts I would recommend taking \$10,000 from the Highway Fund appropriation and \$8,000 from the Highway Trust Fund receipts.

Section Functions Prior to Consolidation

Facilities Management Branch

- Project Management of Division of Highways construction projects - design done primarily in-house and construction primarily contracted
- Construction and Renovation Projects via maintenance budget funds and 3000 work order series
- Property Management for Division of Highways

General Services Section - DOT

- Project Management of construction projects for DMV and Highway Patrol buildings, and Raleigh DOT buildings, excluding the Division of Highways - both design and construction primarily contracted
- Construction and Renovation Projects for buildings listed above
- Field Maintenance for DMV and Highway Patrol buildings, Highway Building, DMV Building, Century Center Complex, Thompson Building, and the Materials and Test Lab on Blue Ridge Road
- Maintenance Warehouse including sign making
- Mail and Supply Services - Highway Building and Century Center
- Reproduction Services located at the Highway Building and the Century Center Complex
- Housekeeping Contract Management for DMV and Highway Patrol Buildings, DOT-Admin - Raleigh, and 14 Division Offices of the Division of Highways
- Waste Management

General Services Unit - DMV

- Mail and Supply Services for DMV
- Reproduction Services for DMV

STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATIONJAMES B. HUNT JR.
GOVERNORFERRY DIVISION
113 ARENDELL STREET, ROOM 120
MOREHEAD CITY, N.C. 28557GARLAND B. GARRETT JR.
SECRETARY

March 3, 1997

MEMORANDUM TO: Ruth Sappie, DOT Legislative Liaison

FROM: Charlie Utz, Administrative Officer
North Carolina Ferry Division

SUBJECT: Ferry Division Charges to Work Orders
2000 Series Budget, Objective Code 910

The 910 objective code under the Ferry Division's 2000 budget is used for the reimbursement of charges generated when a 2000 series employee performs work associated with a 3000 series or other project. This objective code is not directly funded as part of the budget. Generally this objective code is used by the Ferry Division to be reimbursed for the out of state travel and subsistence charges associated with the construction of a new ferry vessel. These projects are partially funded with federal funds and a 2000 employee cannot charge directly to the associated work order number.

Shown below are the balances for this objective code for FY '92-'93 through FY '95-'96:

<u>FY YEAR</u>	<u>ENDING BALANCE</u>
FY '92-'93	\$14,696.59
FY '93-'94	\$23,676.88
FY '94-'95	\$25,229.72
FY '95-'96	\$16,849.59

A new ferry vessel will begin construction in April, 1997 in Bayou LaBatre, Alabama. The Ferry Division's 2000 budget will reflect any charges associated with the out of state travel and subsistence of the engineering staff while this vessel is under construction. This project will conclude on April 3, 1998. An estimated amount of reimbursement that will be shown in the 910 objective code is approximately \$20,000. This total will be divided between the FY '96-'97 and FY '97-'98 budget periods.

I hope that you find this information helpful. Please feel free to contact me with any additional questions or concerns.

CMU



JOINT APPROPRIATIONS

TRANSPORTATION SUBCOMMITTEE

March 18, 1997
Afternoon

Agenda

1. Continuation Budget Review

Transportation Construction and Maintenance
Budget Code (84230)

Highway Trust Fund
Budget Code (84290)

Tony Goldman, Staff

Larry Goode, State Highway Administrator

David King, Dep. Secretary
Transit, Rail and Aviation

**THE JOINT LEGISLATIVE
APPROPRIATIONS
SUB-TRANSPORTATION COMMITTEE**

**MARCH 18, 1997
3:30 P.M.
ROOM 1327**

The House Committee on Appropriations/Sub-Transportation Committee met in Room 1327 at 3:30 P.M. on Tuesday, March 18, 1997. **Co-Chairman W. Edwin McMahan** called the meeting to order. Visitor's Sheet attached.

Members Present:

Rep. Joanne Bowie, Co-Chair
Rep. Jerry Dockham, Co-Chair
Rep. Ed McMahan, Co-Chair
Rep. Bobby Barbee
Rep. Dan Blue
Rep. Thomas Hardaway

Rep. Bill Hiatt
Rep. Jim Gulley
Rep. Mary McAllister
Rep. Drew Saunders
Rep. Ronnie Sutton

Three Senators

Chairman McMahan recognized **Mr. Tony Goldman, Staff to the Committee**, to discuss the proposed continuation budget for Transportation Construction and Maintenance and the Highway Trust Fund. Mr. Goldman told the Committee that this budget code contains the appropriations that support the construction and maintenance of the state highway system. It also contains appropriations for state aid to municipalities, public transit, rail, and airports. (*See Budget Book, Volume 6, Pages 130-132*).

Mr. Goldman at that time asked **Dr. Larry Goode, State Highway Administrator**, to speak to the Committee on the Transportation Improvement Program. Dr. Goode explained to the Committee the budgeted uses of DOT funds for 1996-97 (*See Chart, Attachment I, Page 3*). Dr. Goode also referred the Committee to the Intrastate System Distribution Formula and Distribution of Estimated Funds by Division and Region (*See Attachment II*). Dr. Goode said this information covers everything except the Loop Fund and the Secondary Road Fund which have their own formula. Dr. Goode reminded the Committee that the TIP Construction does include the Trust Fund of this intrastate system. Discussion followed by the Committee.

Dr. Goode then explained the individual line items under the Highway Fund. (*See Budget Book, Volume 6, Pages 130-131, Line Items 5110-5980*).

The Committee found these items acceptable under the Continuation Budget.

Dr. Goode next referred the Committee to the Highway Trust Fund and explained the line items within that fund (*See Budget Book, Volume 6, Page 221-227*). He also referenced the Chart on Budgeted Sources of Highway Trust Fund Revenues for 1996-97 (*See Attachment I, Page 5*). Discussion followed by the Committee. In answer to questions from the Committee, Dr. Goode said that the Highway Trust Fund money is used solely for construction, and no salaries or maintenance come out of this fund, with the exception of salaries charged to the construction project. In answer to questions regarding the bond money, Dr. Goode said that \$500 Million is to be spent on the loops in 1998-2000. Dr. Goode pointed out that authorizations have been made, but no bonds have been sold at this time. Chairman McMahan asked if the Trust Fund had a balance to carry forward. Dr. Goode replied that the Trust Fund has a balance of \$600 Million.

Mr. David King, Deputy Secretary, was recognized to speak to the Committee on Transportation Construction and Maintenance, (*See Budget Book, Volume 6, Pages 130-131, Line Items 5300*). Mr. King talked to the Committee about the Ferry Operations, and pointed out that there are seven Ferry Operations and twenty-four Ferries. He next spoke to the Committee about the Railroad Program (*Line Item 5940*). He pointed out the reason for the drop in funds after 1995-96 is a result of the Trust Fund Bill, which allows the Board to allocate up to 5 Million a year for Economic Alternatives to Highway Construction. He also told the Committee about a new program called the Rail Industrial Access Program, which is used recruiting business. He said he would provide the Committee with a summary of the projects funded in that program. Mr. King spoke to the Committee about the Airports Program (*Line Item 5950*), and the Public Transportation Program (*Line Item 5970*). The Committee found these items acceptable.

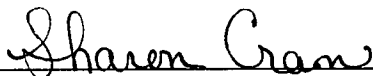
The meeting adjourned at 4:45 P.M..



Representative W. Edwin McMahan
Co-Chair



Senator Luther Jordan, Jr.
Co-Chair



Sharon Cram
Committee Clerk

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Sub-Committee Transportation

3-18-98 AFTERNOON

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

Vander Rong	Martin Mauntha
Don Goins	N.C. D.O.T.
BERRY JENKINS	NC DOT
C. A. GARDNER	NC DOT
W. Hunter	NC DMV
Wayne Stallings	NC DOT
Carol Simon	DOT
ED CARL	DOT/DMU
Carol Howard	DMU
DAVID KING	NC DOT

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NORTH CAROLINA DEPARTMENT OF TRANSPORTATION



Transportation Update

February 1997

NORTH CAROLINA TRANSPORTATION 2001



Governor Hunt's Plan to Accelerate Improvements to our Transportation System

**Speed up construction and completion of key
economic development highways**



Eliminate the highway maintenance backlog

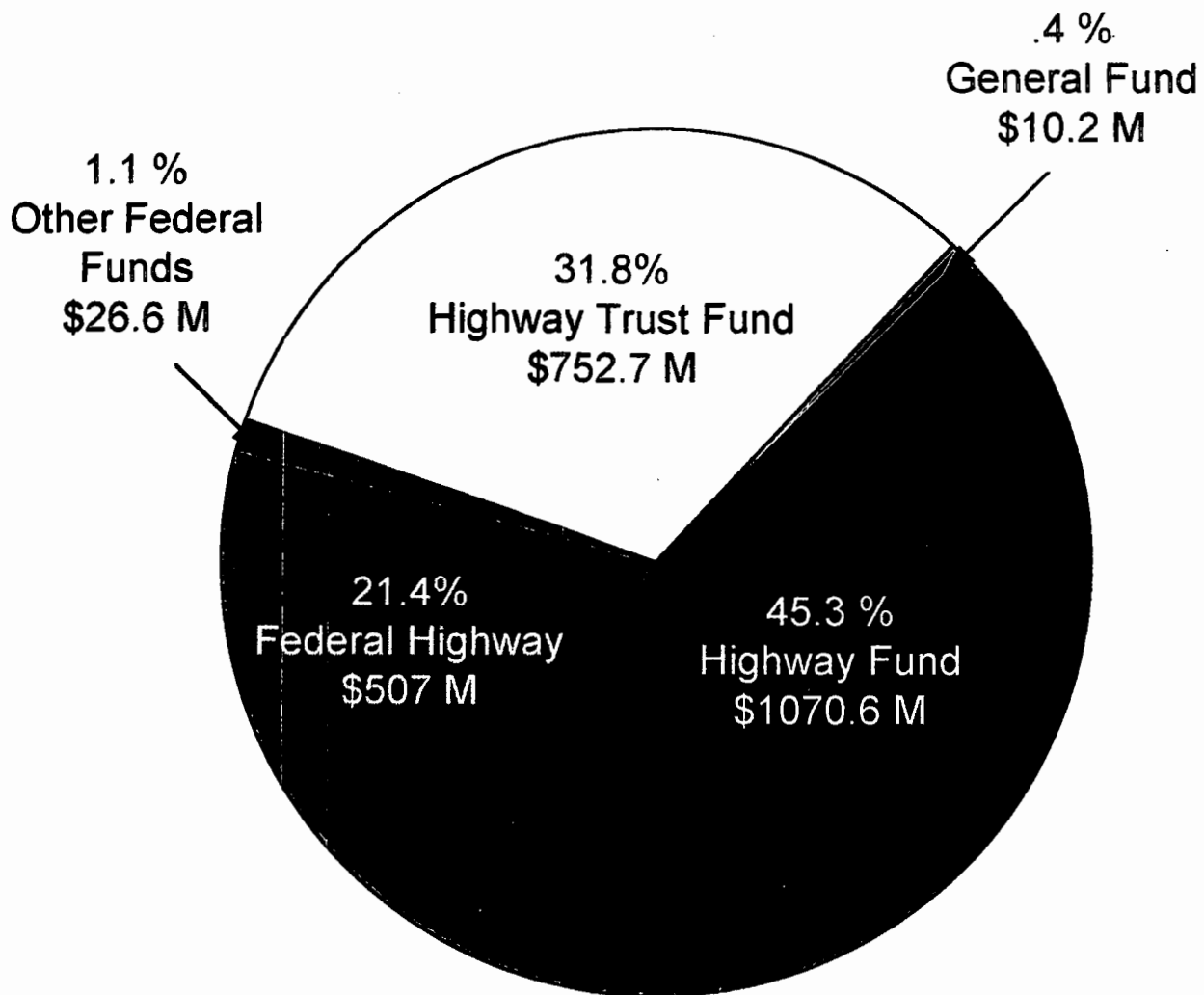


**Develop and implement a master plan for public
transportation initiatives**

No new taxes

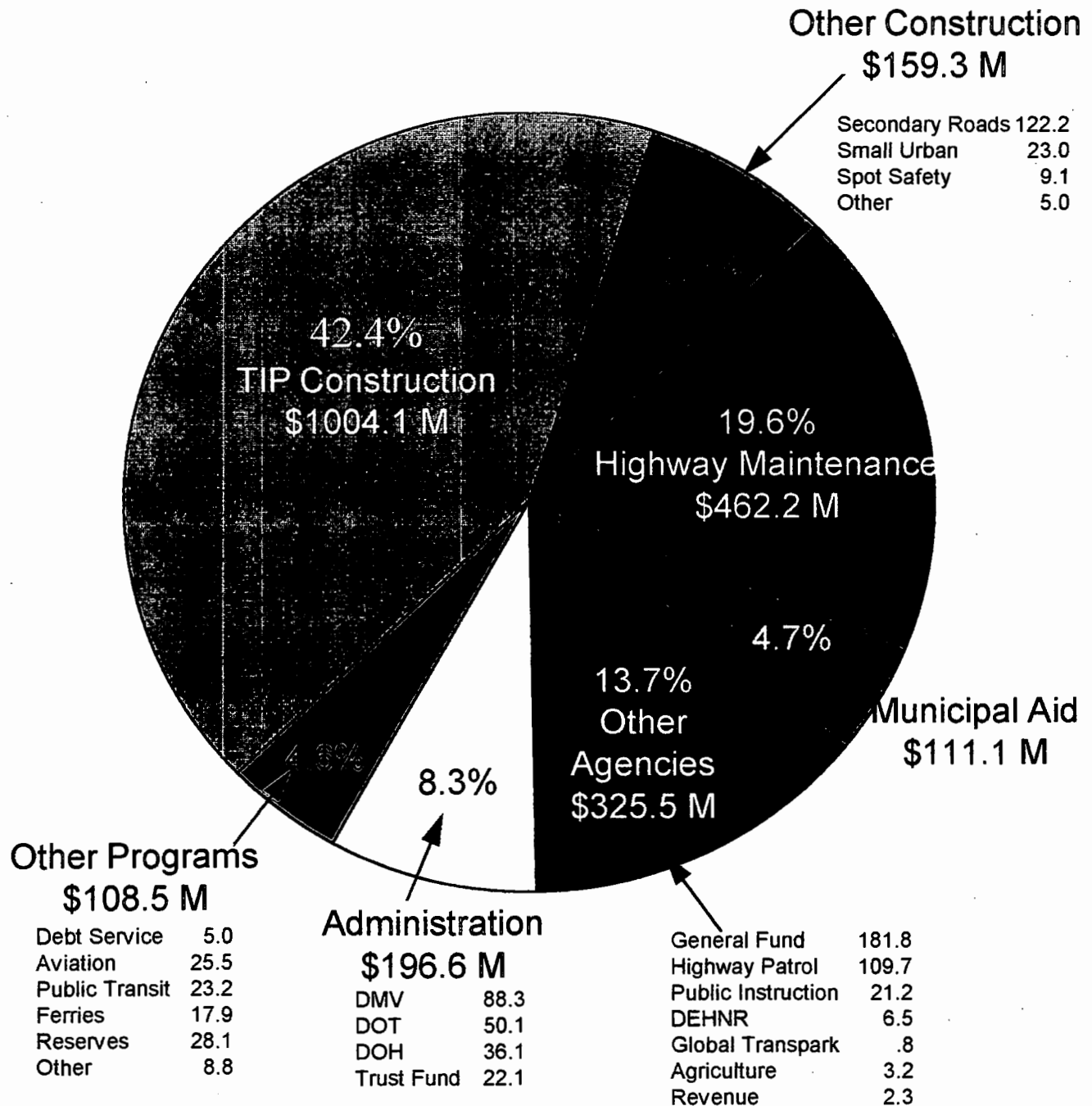
Department of Transportation Sources of Funds for 1996-97 by Major Funding Source

(Total Funding = \$2.367 Billion)



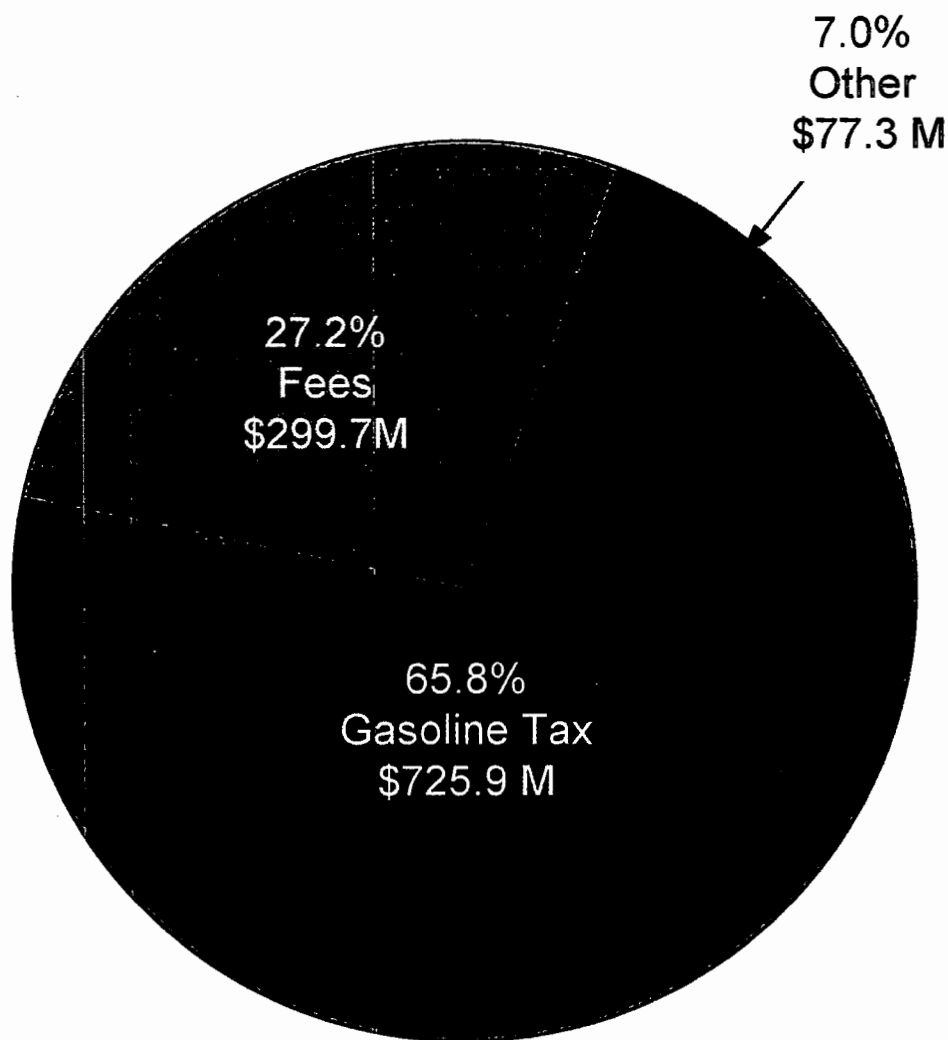
Budgeted Uses of DOT Funds for 1996-97

(Total Funding = \$2.367 Billion)



Budgeted Sources of Highway Fund Revenues for 1996-97

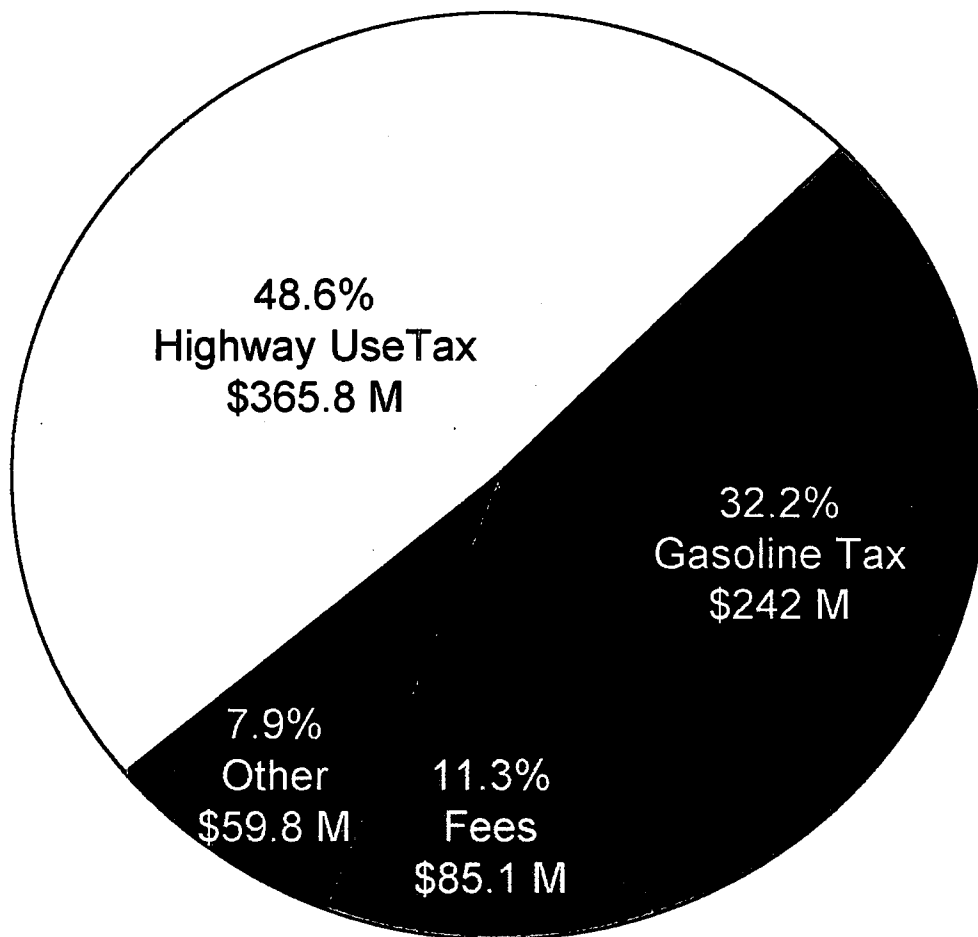
(Total Funding = \$1,102.9 Million)*



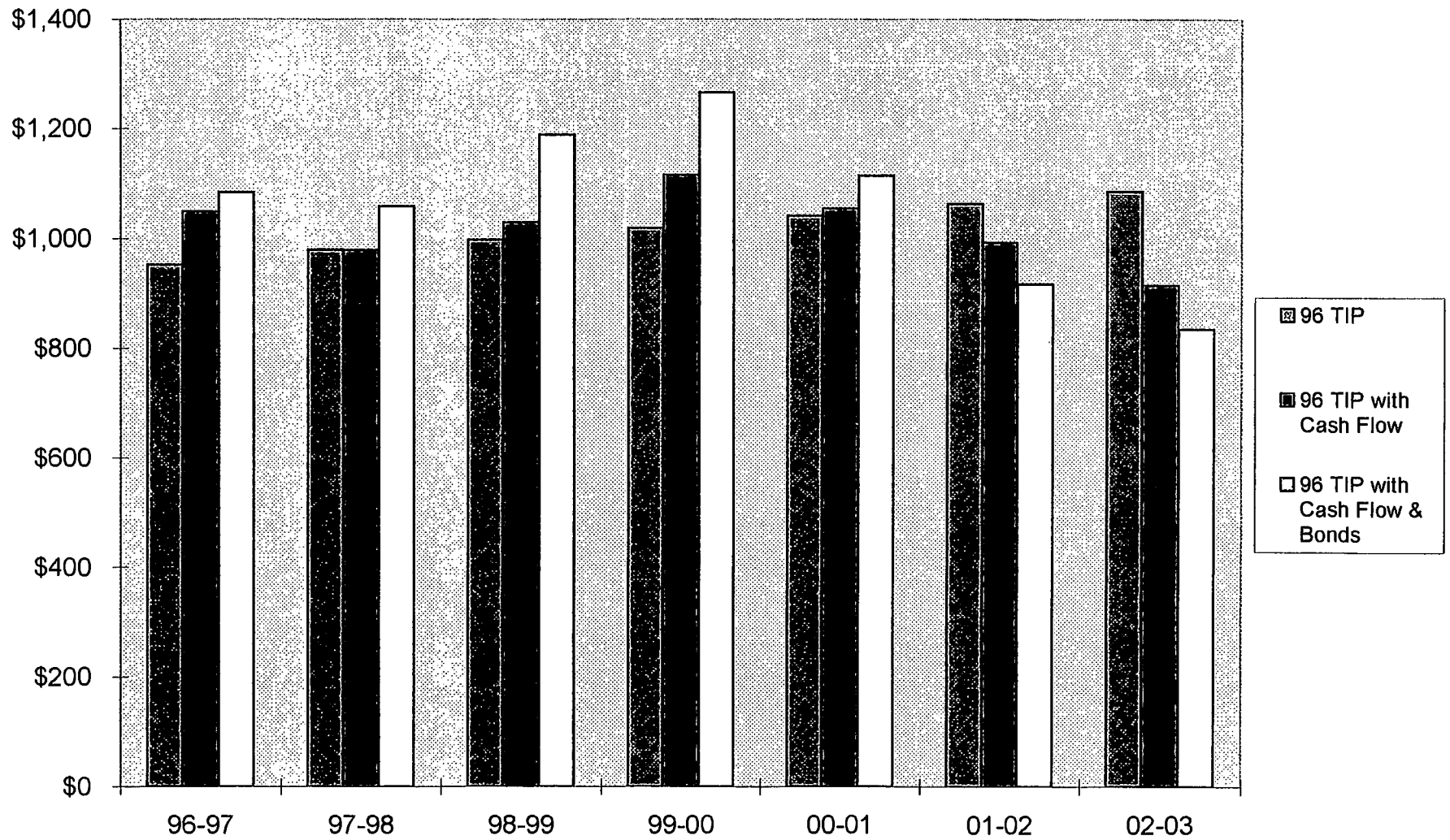
* \$32.3 Million Transferred to the Highway Trust Fund

Budgeted Sources of Highway Trust Fund Revenues for 1996-97

(Total Funding = \$752.7 Million)



Construction Dollars (In Millions)



II
P.m. mtg.

INTRASTATE SYSTEM
DISTRIBUTION FORMULA
AND
DISTRIBUTION OF ESTIMATED FUNDS
BY DIVISION AND REGION

FY 1998-2004

THE INTRASTATE
ALLOCATION FORMULA
FOR FY 1998 - 2004

DISTRIBUTION and ESTIMATED FUNDS

The Estimated Funds Available for any
Seven Year Period are Distributed as Follows:

25%	+	50%	+	25%
of the miles to complete the Intrastate System projects in that region compared to the total miles to complete the Intrastate System		of the estimated population of the region compared to the total population		an equal share to each of the seven regions

Estimated Funds Available for Fiscal Years
1998 to 2004 (in millions)
\$6,216

Funds available for Mileage \$1,554	Funds available for Population \$3,108	Funds available for Equal Share \$1,554

**THE INTRASTATE
ALLOCATION FORMULA
FOR FY 1998 - 2004**

**TOTAL PROGRAM ALLOCATIONS
(in Millions of Dollars)**

DIVISION	REGION	PER CENT OF ALLOCATION	ALLOCATION 1998 - 2004
1	A	8.5%	525
4	A	6.2%	387
REGION "A" TOTAL		14.7%	912
2	B	6.5%	406
3	B	6.7%	415
REGION "B" TOTAL		13.2%	821
5	C	9.6%	596
6	C	8.0%	495
REGION "C" TOTAL		17.6%	1,091
7	D	8.4%	522
9	D	6.3%	395
REGION "D" TOTAL		14.7%	917
8	E	8.6%	532
10	E	8.3%	519
REGION "E" TOTAL		16.9%	1,051
11	F	6.1%	380
12	F	5.9%	367
REGION "F" TOTAL		12.0%	747
13	G	6.8%	420
14	G	4.1%	257
REGION "G" TOTAL		10.9%	677
GRAND TOTAL		100.0%	6,216

**THE JOINT LEGISLATIVE
APPROPRIATIONS
SUB-TRANSPORTATION COMMITTEE**

**MARCH 20, 1997
8 AM
ROOM 1327**

The Joint Legislative Appropriations/sub-Transportation Committee met in Room 1327 at 8 am on Thursday, March 20, 1997. **Representative Joanne Bowie** called the meeting to order. Visitor's Sheet attached.

Members Present:

Rep. Joanne Bowie, Co-Chair
Rep. Bobby Barbee
Rep. Thomas Hardaway
Rep. Drew Saunders
Four Senators

Rep. Ed McMahan, Co-Chair
Rep. Bill Hiatt
Rep. Jim Gulley
Rep. Ronnie Sutton

Representative Bowie introduced **Tony Goldman, Fiscal Research Division**, who reviewed with the Committee Section **84270 -Transportation Reserves** (*see Budget Book, Pg. 201 - 205*).

Purpose of Transportation Reserves: Transfers to other state agencies outside the Department of Transportation (DOT) which receive support from the Highway Fund are provided through this budget code. Continuation requirements for the DOT as well as the total requirements for all increases for Highway Fund supported positions are provided through these reserves.

6210 - Department of Agriculture - Gasoline Inspection Service (pg. 203).

Purpose: This program pays for the Gasoline Inspection Service.

6220 - Department of Environment, Health, and Natural Resources - LUST Trust Fund (pg. 204).

Purpose: This program provides funding for the Leaking Underground Storage Tank (LUST TRUST) Fund.

6230- Department of Revenue - Tax Collection (pg. 205).

Purpose: This program pays for the cost of Gasoline Tax Collection.

6250 - Department of Environment, Health, and Natural Resources - Chemical Test (pg. 206).

Purpose: This program pays for the cost of certification and training of breath test operations.

6270 - Department of Crime Control and Public Safety (pg. 207).

Purpose: This program pays for the cost of highway patrol operations.

6310 - Department of Public Instruction (pg. 208).

Purpose: This program pays for the cost of Driver Education in the Public schools.

Mr. Goldman reviewed two reports with the Committee:

1. DRIVER EDUCATION PROGRAM REPORT (see handout I, pg. 1-7).

This report was prepared at the direction of the Joint Legislative Transportation Oversight Committee to look at the funding issues of driver's education. The report studied several issues:

- The method of accounting for the expenditure of Highway Fund moneys by the Department of Public Instruction and the local school administrative units for drivers education;
- The method of reporting on these expenditures to the Office of State Budget and Management, the Department of Transportation, and to the General Assembly;
- An analysis of which school systems have or have not contracted with nongovernmental entities for providing drivers education; and
- A recommendation for the funding of driver's education from a dedicated funding source that provides for changes in average daily membership in the served student population.

Discussion took place. **Representative Bowie** requested that a representative from the Department be at the next meeting to answer questions from committee members.

The Committee discussed the driver education program; the organization and administering of the program, salary ranges for driver education instructors, and contracts with public or private entities to provide driver education in public high schools, allotment funds for local education administrations.

2. DRIVER EDUCATION CONTINUATION BUDGET ANALYSIS (see handout II).

Discussion took place in regard to the difference in allotment funding in the different counties, etc.

Representative Hardaway motioned that the Committee accept these reports as presented by Staff. **Seconded by Senator Carpenter. Approved by Committee.**

Tony Goldman, Fiscal Research Division, continued with review:

6320 - Department of State Treasurer (*Budget Book, Pg. 209*).

Purpose: This program represents the payment to the General Fund in lieu of sales taxes (continues sales tax exemption).

Karl Knapp, Fiscal Research Division, reviewed with the committee:

6330 - Global Transpark -

Mr. Knapp presented a brief history of the Global Transpark. (see handout III, Pg. 1-2, *Global Transpark Chronology*).

The General Assembly has appropriated funding to the Global TransPark Authority since 1991 (see handout III. Pg. 3-5, *Funds Appropriated By The General Assembly To Support The Global Transpark*).

Discussion took place.

Representative Hardaway suggested a representative from The Transpark Authority be invited to come before the Committee to present a briefing on the progress of the Transpark. The Committee was in favor of this suggestion.

Tony Goldman, Fiscal Research Division, continued with the review:

6370 - Transfer to Highway Trust Fund (Budget Book, pg. 211).

6801 - Reserve-Compensation Increase (Budget Book, pg. 212).

6802 - Salary Adjustment Fund (Budget Book, pg. 213).

6813 - Reserve Battery Dump Clean-up.

Representative Barbee asked if the battery dump clean-up was complete. No answer was available. **Representative Bowie** requested a representative from the Attorney General's Office brief the Committee on what has been accomplished with this clean-up effort to date.

6817 - Reserve Operation Study

6818 - Reserve for PCB Clean-up (clean-up of Warren County site).

C.A. Gardner, Deputy Chief Engineer Construction & Maintenance, Department of Transportation, was involved in the clean-up. Mr. Gardner indicated the dumping involved several hundred miles of State highways, thereby, making the State responsible for the clean-up. Charges were filed against a local firm in Raleigh for the dumping and a conviction did take place; however, the company filed bankruptcy and the State never regained any of the money for the clean-up. The site is still being monitored because of concern within the community.

6819 - Rail Travel Enhancement (pg. 215).

6820 - DMV Complex Planning (pg. 216).

Representative Bowie motioned for a vote to accept the Transportation Reserves as presented by Staff. Approved by Committee Members.

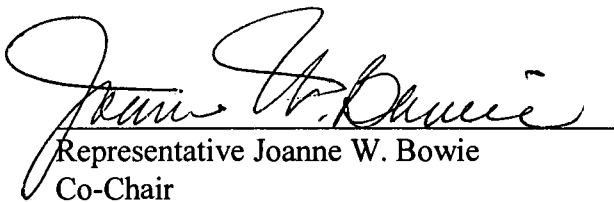
Karl Knapp, Fiscal Research Division, spoke on several special provisions before the Committee (see attachment IV. Pg. 1-12 and attachment V. Pg. 105).

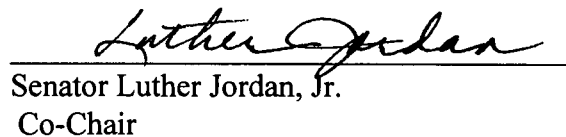
1. Global Transpark Authority To Reimburse Highway Fund From Federal Sources (see pg. 1).
2. Aircraft And Ferry Acquisitions (see Pg. 2).
3. Department Of Transportation To Pay Department Of Correction Only For Actual Medium Custody Inmate Labor (see Pg. 3).
4. Highway Fund Allocations By Controller (see Pg. 4).

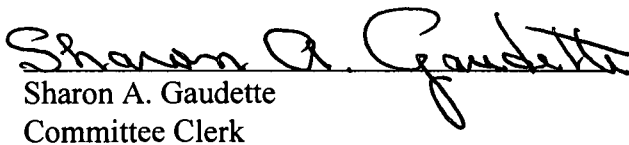
Committee discussion took place. Mr. Wayne Stallings, Budget Controller, DOT, and Mr. C.A. Gardner, Deputy Chief Engineer Construction & Maintenance, DOT were on hand to answer questions.

Meeting adjourned at 9:50 am.

Respectfully submitted:


Representative Joanne W. Bowie
Co-Chair


Senator Luther Jordan, Jr.
Co-Chair


Sharon A. Gaudette
Committee Clerk

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Sub-Committee Transportation

Name of Committee

3/20/97

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

Wayne Stallings	NC DOT
Milton G. Allen	OSBM
Joe Stewart	CCPS
Ed Horton	CCPS - S&HP
Mike Barham	CCPS
Christie Barber	CAPA
Gary Walker	ALTEL
Ruth Sappie	NC DOT
C. A. GARDNER	NC DOT

**JOINT LEGISLATIVE TRANSPORTATION
OVERSIGHT COMMITTEE**

DRIVER EDUCATION PROGRAM REPORT

JANUARY 15, 1997

DRIVERS EDUCATION FUNDING AND STUDY

Sec. 19.14. (a) From funds appropriated by this act to the Department of Transportation, the Department shall pay for the increased costs for drivers education due to the projected increase in average daily membership in the ninth grade drivers education program.

(b) The Joint Legislative Transportation Oversight Committee shall conduct a comprehensive study of the funding of drivers education by the Department of Transportation from the Highway Fund.

The Committee shall include, as part of the study which may consider other aspects, a consideration of:

- (1) **The method of accounting for the expenditure of Highway Fund monies by the Department of Public Instruction and the local school administrative units for drivers education;**
- (2) **The method of reporting on these expenditures to the Office of State Budget and Management, the Department of Transportation, and to the General Assembly;**
- (3) **An analysis of which school systems have or have not contracted with nongovernmental entities for providing drivers education; and**
- (4) **A recommendation for the funding of drivers education from a dedicated funding source that provides for changes in average daily membership in the served student population.**

The Joint Legislative Transportation Oversight Committee shall report the results of this study to the 1997 Session of the General Assembly.

NC General Statute

§ 20-88.1. Driver education.

Statute text

→ (a) In accordance with criteria and standards approved by the State Board of Education, the **State Superintendent of Public Instruction shall organize and administer a program of driver education to be offered at the public high schools of this State** for all physically and mentally qualified persons who (i) are older than 14 years and six months, (ii) are approved by the principal of the school, pursuant to rules adopted by the State Board of Education, (iii) are enrolled in a public or private high school within the State, and (iv) have not previously enrolled in the program. The State Board of Education shall use for such purpose all funds appropriated to it for said purpose, and may use all other funds that become available for its use for said purpose. The driver education program established pursuant to this section shall include instructions on the rights and privileges of the handicapped and the signs and symbols used to assist the handicapped relative to motor vehicles, including the "international symbol of accessibility" and other symbols and devices as provided in Article 2A of this Chapter. In addition, this program shall include at least six hours of instruction on the offense of driving while impaired and related subjects.

→ (b) **The State Board of Education shall adopt a salary range for driver education instructors who are public school employees and who do not hold teacher certificates. Driver education instructors who are public school employees and who hold teacher certificates shall be paid on the teacher salary schedule.** A day of employment for driver education instructors who hold teacher certificates shall be the same number of hours required of all regular classroom teachers as established by the local board of education.

→ (b1) **The State Board of Education shall adopt rules to permit local boards of education to enter contracts with public or private entities to provide a program of driver education at public high schools.** All driver education instructors shall meet the requirements established by the State Board of Education; provided, however, driver education instructors shall not be required to hold teacher certificates.

→ (c) **All expenses incurred by the State in carrying out the provisions of this section shall be paid out of the Highway Fund.**

(d) The Division shall prepare a driver license handbook that explains the traffic laws of the State and shall periodically revise the handbook to reflect changes in these laws. At the request of the Department of Education, the Division shall provide free copies of the handbook to that Department for use in the program of driver education offered at public high schools.

Driver Training Fact Sheet

FY 1995-96

Number of Contracts

- 54 LEAs (45%) contracted for driver training services in FY 1995-96. To date in FY 1996-97, 49 LEAs are spending money for contracted services. Some of these LEAs also paid personnel services directly.
- ADM in LEAs who had contracted services was 59,103 (59% of Total ADM).
- Allotments to LEAs who contract made up 59% of the total budget.
- LEAs of varying size, wealth, and geographic location are contracting services.

■ 9th Grade Allotted ADM

- Funds are allotted based on 9th grade average daily membership in public, private, and federal schools.
- Note: Number of students actually served is not available because Driver Training is not taught as part of the instructional day.

<u>LEAs</u>	<u>Public School</u>	<u>Private/Home School</u>	<u>Federal Schools</u>	<u>Total</u>
<u>1995-96:</u>				
With Contracts	55,880	3,013	210	59,103
Without Contracts	<u>39,589</u>	<u>1,352</u>	<u>94</u>	<u>41,035</u>
1995-96 Total	95,469	4,365	304	100,138
1996-97 ADM	102,552	5,596	257	108,405

Local Ed. Adm.

■ LEAs with no contract expense

- 80% (\$7.0 million) of total budget for LEAs with no contract expense was used for personnel costs including benefits.
- Number of students served is not reported on Student Accounting Records because Driver Training is not part of the instructional day. Based on number of students allotted (rather than students served), the average spent per student for personnel expenses including benefits is \$177.53.

■ Allotment information

- Of the total reversion in FY 1995-96, 72% was from LEAs who had expenditures for contracted services.
- Historical reversions:

<u>Fiscal Year</u>	<u>Allotted</u>	<u>Expended</u>	<u>Reverted</u>
1991-92	\$22,134,230	\$20,763,472.00	\$1,370,758.00
1992-93	23,188,826	19,013,952.27	4,174,873.73
1993-94	23,188,826	19,135,668.56	4,053,157.44
1994-95	23,188,826	20,237,994.09	2,950,831.91
1995-96	21,188,826	19,322,435.67	1,866,390.33



DRIVER EDUCATION PROGRAM

In-House

LEA #	LEA Name	FY 1995-96					
		9th Grade ADM	Allotment		Actual Cost		Reversions
			\$	Allot/ADM	\$	Actual/ADM	
370	Gates County	169	35,760	212	15,196	90	20,564
650	New Hanover County	1,819	384,894	212	208,881	115	176,013
730	Person County	472	99,873	212	73,265	155	26,608
320	Durham County	2,704	572,156	212	451,159	167	120,997
170	Caswell County	334	70,673	212	55,909	167	14,764
310	Duplin County	701	148,329	212	120,159	171	28,170
290	Davidson County	1,470	311,047	212	255,828	174	55,219
491	Morresville City	282	59,670	212	52,374	186	7,296
300	Davie County	414	87,601	212	80,714	195	6,887
10	Alamance County	916	193,822	212	180,907	197	12,915
210	Chowan County	217	45,916	212	42,893	198	3,023
132	Kannapolis City	335	70,885	212	67,201	201	3,684
450	Henderson County	1,042	220,483	212	211,219	203	9,264
560	Macon County	339	71,731	212	69,231	204	2,500
200	Cherokee County	331	70,038	212	67,704	205	2,334
420	Halifax County	647	136,903	212	133,043	206	3,860
510	Johnston County	1,303	275,710	212	269,289	207	6,421
860	Surry County	691	146,213	212	143,250	207	2,963
250	Craven County	1,278	273,580	214	267,167	209	6,413
130	Cabarrus County	1,246	263,649	212	261,747	210	1,902
430	Harnett County	1,066	225,562	212	223,992	210	1,570
390	Granville County	713	150,868	212	149,945	210	923
681	Chapel Hill City	663	140,288	212	139,627	211	661
111	Asheville City	431	91,198	212	90,815	211	383
780	Robeson County	2,145	453,874	212	452,199	211	1,675
870	Swain County	231	50,879	220	48,708	211	2,171
80	Bertie County	413	87,389	212	87,190	211	199
841	Albemarle City	170	35,971	212	35,965	212	6
421	Roanoke City	252	53,322	212	53,315	212	7
590	McDowell County	463	97,969	212	97,958	212	11
810	Rutherford County	910	192,553	212	192,539	212	14
861	Elkin City	93	19,678	212	19,678	212	0
220	Clay County	103	21,794	212	21,794	212	0
292	Thomasville City	197	41,684	212	41,684	212	0
850	Stokes County	492	104,105	212	104,104	212	1
750	Polk County	158	33,432	212	33,432	212	0
620	Montgomery County	410	86,754	212	86,754	212	0
270	Currituck County	247	52,264	212	52,264	212	0
422	Weldon City	126	26,661	212	26,661	212	0
440	Haywood County	534	112,992	212	112,992	212	0
680	Orange County	522	110,453	212	110,453	212	0
980	Wilson County	1,111	235,083	212	235,083	212	0
800	Rowan County	1,750	370,293	212	370,293	212	0
490	Iredell County	1,223	258,782	212	258,782	212	0
540	Lenoir County	1,060	224,292	212	224,292	212	0
230	Cleveland County	743	157,216	212	157,216	212	0
820	Sampson County	612	129,497	212	129,497	212	0
50	Ashe County	337	71,308	212	71,308	212	0
231	Kings Mtn. City	337	71,308	212	71,308	212	0
190	Chatham County	508	107,491	212	107,491	212	0
770	Richmond County	679	143,674	212	143,674	212	0
530	Lee County	642	135,845	212	135,845	212	0
90	Bladen County	496	104,952	212	104,952	212	0
630	Moore County	873	184,724	212	184,724	212	0
40	Anson County	355	75,117	212	75,117	212	0
20	Alexander County	385	81,465	212	81,465	212	0
30	Alleghany County	127	26,873	212	26,873	212	0
890	Tyrrell County	80	16,928	212	16,928	212	0
821	Clinton City	245	54,741	223	53,478	218	1,263
400	Greene County	252	57,143	227	57,115	227	28
500	Jackson County	328	77,404	236	76,949	235	455
880	Transylvania County	328	77,325	236	77,177	235	148
760	Randolph County	1,247	313,861	252	313,861	252	0
380	Graham County	109	27,708	254	27,624	253	84
690	Pamlico County	159	55,709	350	55,708	350	1
Total In-house		41,035	8,787,362	214	8,265,964	201	521,398
% of Grand Total		40.98%	41.47%		42.78%		27.94%

DRIVER EDUCATION PROGRAM

Contract Driver Education (partial or total)

LEA #	LEA Name	FY 1995-96					
		9th Grade ADM	Allotment		Actual Cost		Reversions
			\$	Allot/ADM	\$	Actual/ADM	
291	Lexington City	256	54,169	212	28,181	110	25,988
140	Caldwell County	1,108	234,449	212	128,878	116	105,571
241	Whiteville City	272	52,554	193	32,177	118	20,377
410	Guilford County	4,832	822,433	170	588,600	122	233,833
761	Asheboro City	319	47,499	149	39,315	123	8,184
181	Hickory City	391	82,734	212	51,493	132	31,241
100	Brunswick County	770	162,929	212	101,805	132	61,124
330	Edgecombe County	743	157,216	212	100,964	136	56,252
350	Franklin County	573	121,245	212	78,238	137	43,007
900	Union County	1,544	326,705	212	216,189	140	110,516
700	Pasquotank County	572	84,133	147	83,098	145	1,036
340	Forsyth County	3,476	735,509	212	508,148	146	227,361
580	Martin County	460	97,334	212	75,103	163	22,231
940	Washington County	236	49,937	212	39,229	166	10,708
460	Hertford County	436	92,256	212	72,695	167	19,561
670	Onslow County	1,763	373,044	212	297,035	168	76,009
150	Camden County	106	18,929	179	17,898	169	1,031
910	Vance County	726	153,619	212	125,912	173	27,707
995	Yancey County	228	46,244	203	41,276	181	4,968
160	Carteret County	708	129,810	183	129,496	183	314
640	Nash County	1,375	290,945	212	252,705	184	38,240
120	Burke County	1,134	239,950	212	213,646	188	26,304
790	Rockingham County	1,274	269,574	212	249,411	196	20,163
930	Warren County	360	76,175	212	70,513	196	5,662
920	Wake County	6,318	1,336,865	212	1,254,167	199	82,698
990	Yadkin County	408	86,331	212	81,508	200	4,823
660	Northampton County	340	71,943	212	70,236	207	1,707
600	Mecklenburg County	7,147	1,512,278	212	1,476,921	207	35,357
610	Mitchell County	206	43,589	212	43,044	209	545
740	Pitt County	1,773	375,160	212	373,523	211	1,637
960	Wayne County	1,594	337,284	212	336,548	211	736
180	Catawba County	1,405	297,293	212	296,953	211	340
950	Watauga County	414	87,601	212	87,582	212	19
720	Perquimans County	165	34,913	212	34,913	212	0
280	Dare County	314	66,441	212	66,441	212	0
70	Beaufort County	752	159,120	212	159,120	212	0
470	Hoke County	569	120,398	212	120,398	212	0
970	Wilkes County	950	201,016	212	201,016	212	0
840	Stanley County	610	129,074	212	129,073	212	1
240	Columbus County	730	154,465	212	154,465	212	0
550	Lincoln County	817	172,874	212	172,874	212	0
232	Shelby City	260	55,015	212	55,015	212	0
110	Buncombe County	2,195	464,454	212	464,454	212	0
862	Mt. Airy City	166	35,125	212	35,125	212	0
570	Madison County	223	47,186	212	47,186	212	0
520	Jones County	112	23,699	212	23,699	212	0
11	Burlington City	504	108,645	216	108,645	216	0
260	Cumberland County	3,743	807,005	216	807,005	216	0
710	Pender County	439	107,891	246	100,667	229	7,224
360	Gaston County	2,329	561,990	241	561,940	241	50
830	Scotland County	687	174,914	255	167,097	243	7,817
60	Avery County	199	57,972	291	57,972	291	1
480	Hyde County	72	27,645	384	26,882	373	763
Total Contract		59,103	12,377,578	209	11,056,471	187	1,321,107
% of Grand Total		59.02%	58.42%		57.22%		70.78%
Funds Released			23,886				23,886
GrandTotal In-house and Contract		100,138	21,188,826		19,322,435		1,866,391

DRIVER EDUCATION FUNDING

FY 95/96

	\$	ADM	\$/ADM
CERTIFIED BUD/ALLOT	21,188,826	100,138	211.59
ACTUAL EXPENDITURES	<u>19,322,436</u>	100,138	192.95
REVERSIONS	1,866,390		

FY 96/97

	\$	ADM	\$/ADM
CERTIFIED BUDGET	21,249,501		
ALLOTMENT	22,937,414	108,405	211.59
IF AT 95/96 ACT (192.95)	20,916,745	108,405	192.59

FUNDING OPTIONS

1. Stay with current certified budget and require DOT to fund any additional expense from funds appropriated to the department. Reversions (allotment - actual expense) return to Highway Fund.
2. Establish a certified budget based on an allotment per projected ADM. Reversions (allotment - actual expense) return to Highway Fund.
3. Establish a certified budget based on an allotment per projected ADM. Allow LEAs to retain some percentage of savings (allotment - actual expense).

OTHER CONSIDERATIONS

1. Where feasible, require LEA's to explore contracting options.

Driver Education Continuation Budget Analysis

Fiscal Year	ADM	Allotted		Certified/Estimated		Expended		Reversions
		Total	Per/ADM	Total	Per/ADM (2)	Total	Per/ADM	
1995/96	100,138	21,188,826	211.60	21,188,826	211.60	19,322,435	192.96	1,866,390
1996/97	108,405	22,938,498	211.60	21,249,501	196.02			
1997/98 (1)	112,266	23,755,486	211.60	22,374,875	199.30			
1998/99 (1)	113,248	23,963,277	211.60	22,573,141	199.30			
Notes:								
1. ADM projections for 1997-99 are DPI's latest estimates								
2. Estimated cost per ADM assumes a 3% increase in all costs except wages.								
Wage increases will be addressed in the Expansion Budget.								

GLOBAL TRANSPARK CHRONOLOGY

1991

- January Governor Martin identifies the development of an air cargo facility as a priority in his State of the State address.
- February Federal grant approved to allow a system plan and feasibility study to be produced.
- July General Assembly enacts legislation to create the Authority and provides initial funding. General Assembly also enacts provisions allowing the Escheat Fund to loan the Authority up to \$25 million.
- November Authority Board holds its first meeting.

1992

- February Feasibility study completed.
- Request for site proposals issued.
- May Kinston Regional Jetport is selected as the site for the facility from among 11 proposals. Kimley-Horn selected as consultants to prepare the facility Master Plan.
- July Preliminary environmental, historical, and archaeological analysis of Kinston site completed.
- September Authority receives a Federal Aviation Administration (FAA) grant of \$622,000 to help fund the Master Plan process.
- October Agreement concluded to allow the Authority to exercise the option for a no-cost transfer of the Kinston Regional Jetport to the Authority. Kinston and Lenoir County also agree to provide water and sewer to the facility at no cost. This option has not yet been exercised because the Authority does not wish to begin operation of the airport before industrial development begins.
- November Master Plan process begins with citizen meetings in the affected areas.

1993

- January Authority opens an office in Kinston.
- May Public hearing held to discuss three airfield plan options.
- August Airfield plan approved by the Authority Board.
- September State Treasurer's office approves loan of \$25 million from the Escheat Fund to the Authority. Funds remain in a special Treasury account until used by the Authority

to acquire land for the Transpark. Purchases are to be reimbursed by the FAA. Only \$622,455 has been used to date.

1994

- January Master Plan completed and environmental assessment submitted to FAA for approval.
- April Mountain Air signs on as first tenant of the Global TransPark. As part of the tenancy agreement, the TransPark Foundation agrees to fund construction of a hangar for Mountain Air. The Foundation will hold the lease on the facility, which will be provided rent-free for 18 months.
- June FAA determines that an Environmental Impact Statement (EIS) will be needed in addition to the environmental assessment prepared as part of the Master Plan.

1995

- February Consultant begins EIS process.
- May Public hearing held on EIS.
- June Public hearing held on the TransPark's application for Foreign Trade Zone status.
- August Groundbreaking for Mountain Air hangar.
- October Joint industrial development agreement signed with the Subic Bay Metropolitan Authority in the Philippines.
- Congress appropriates \$4.8 million to be spent by the Department of Defense to extend the existing runway at the Kinston Jetport from 7,500 feet to 8,600 feet.

1996

- May U.S. Department of Commerce approves a \$3.0 million grant for construction of an education and training center at the TransPark to be matched by State funds.
- Foreign Trade Zone status for the TransPark approved by U.S. Department of Commerce.
- July Extension of the existing runway at the Kinston Jetport and construction of Mountain Air hangar completed.
- August Mountain Air begins operations in its new hangar facility.

1997

- February Draft EIS on the TransPark development plan is released for public comment. Release of the final (EIS) is expected in July 1997.

**FUNDS APPROPRIATED BY THE GENERAL ASSEMBLY TO SUPPORT
THE GLOBAL TRANSPARK**

The Global TransPark project is run by three organizations: The Global TransPark Authority, which is an agency of the State; the Global TransPark Development Zone, which is governed by the Global TransPark Development Commission; and the Global TransPark Foundation, which is a private fundraising organization. State funds are not appropriated to the Foundation. Some of the funds appropriated to the Commission required a private match, as discussed below. State funds have also been appropriated to the several departments of State government to support the activities of the Global TransPark.

Highway Fund - Global TransPark Authority

The following appropriations have been made to the Global TransPark Authority from the Highway Fund:

	<u>Operations</u>	<u>Services and Projects</u>	<u>Total</u>
FY 1991-92	\$ 785,000	\$1,425,000	\$ 2,610,000
FY 1992-93	1,355,250	5,100,000	6,455,250
FY 1993-94	750,000	----	750,000
FY 1994-95	750,000	2,870,000	3,620,000
FY 1995-96	750,000	----	750,000
FY 1996-97	750,000	----	750,000

Operating expenses of the Authority include the salaries of Authority staff, lease of office space, supplies, travel and utilities. Services and projects are payments to contractors for activities that are beyond the scope of staff responsibilities. In FY 1991-92, services and projects costs included financial, legal, engineering, and computer consulting fees, as well as the cost of a preliminary study for the master plan for the TransPark facility. In FY 1992-93, costs also included \$4,000,000 for the final master plan and the first phase of the airport design. In FY 1994-95, services and projects costs included payments to a consultant for development of an environmental impact statement (EIS), joint planning with the Department of Defense, and an electronic data interchange system. If the Authority is reimbursed by the federal government for the EIS, then the Authority will reimburse the Highway Fund up to \$1,800,000.

Escheat Fund - Global TransPark Authority

In 1991, the General Assembly authorized the State Treasurer to invest up to \$25 million from the State's Escheat Fund in financial obligations issued by the Global TransPark Authority to finance land acquisitions. In August of 1993, the Escheat Fund lent \$25 million to the authority. This loan did not involve the issuance of bonds by the Authority. The loan agreement required the Authority to deposit the \$25,000,000 with the State Treasurer. The interest rate on the funds deposited by the Authority equals the interest rate on the loan. The loan matures September 1, 1999. The Authority had withdrawn \$622,455 of these funds as of January 1997. Any funds that are withdrawn are to be repaid to the Escheat Fund. However, if the funds are not repaid, the General Assembly has indicated its intent to appropriate funds to cover the loss to the Escheat Fund.

General Fund - Capital Funds

In 1996, the General Assembly appropriated \$3,277,000 in one-time capital funds from the General Fund to match \$3 million in Federal funds for a Education and Training center at the Global TransPark. In 1995, the General Assembly had authorized the use of up to \$3,277,000 from potentially unneeded prison match funds for the Education and Training Center, but the prison match funds were not made available.

In 1995, the General Assembly appropriated \$285,000 in one-time capital funds from the General Fund to match a \$4.852 million Federal grant for upgrading the runway at the Kinston Regional Jetport to allow training by military air crews. The Federal grant paid for runway and taxiway construction and for navigation aids. The State funds paid for engineering and design costs and for project management.

General Fund - Department of Agriculture

In 1994, the General Assembly provided funding for a marketing specialist position at the Global TransPark Facility in Kinston. The funding was continued for the next two years by the 1995 General Assembly.

	<u>Amount</u>	<u>Pos.</u>
FY 1994-95	\$166,214	1
FY 1995-96	166,214	1
FY 1996-97	166,214	1

General Fund - Department of Commerce

Prior to FY 1993-94, the Department of Commerce received a portion of the funds appropriated to the Global TransPark Authority to use for marketing the project. The 1993 General Assembly made an appropriation from the General Fund to continue 2 positions, promotional advertising and program support costs originally supported by the Highway Fund. In 1995, the General Assembly abolished one position and cut the program by \$92,116. An additional \$100,000 was cut in 1996.

	<u>Amount</u>	<u>Pos.</u>
FY 1993-94	\$502,020	2
FY 1994-95	510,126	2
FY 1995-96	421,771	1
FY 1996-97	321,946	1

In September 1995, these funds were transferred to the Global TransPark Authority through a budget amendment approved by the Office of State Budget Management.

General Fund -UNC Board of Governors

For FY 1994-95, the General Assembly appropriated \$720,000 to the UNC Board of Governors to fund the production and marketing of crops at the Agricultural Export Market Center of the N.C State University Research Center (Cunningham Farm), located near the Global TransPark facility.

General Fund - Global TransPark Development Commission

In 1993, the Global TransPark Development Commission was appropriated \$7.5 million from the General Fund. However, the \$7.5 million was contingent upon a dollar for dollar match in either private funds raised by the Global TransPark Foundation or property made available by the Foundation. These are the only funds made available to the Zone that require a private match by the foundation. This match was made during the 1993-94 fiscal year and the funds were provided to the Commission.

In 1995, the General Assembly added the Global TransPark development to the 6 commissions previously authorized to receive regional economic development commission funding. The 7 regional commissions share \$4,680,000 that is allocated on a formula basis. (Section 25.4, Chapter 324 1995 Session Laws) For 1995-96, the Department of Commerce allocated \$359,242 to the Global TransPark Development Zone. For 1996-97, \$391,884 will be allocated.

In 1995, the General Assembly also authorized up to \$1,000,000 from potentially unneeded prison match funds to be used by the Department of Commerce for the Economic Development Information System (EDIS). Some of these funds will be used for development of EDIS within the 7 regional economic development commissions. As a result, the Zone would have received a portion of any funds made available. However, no funds were made available

Highway Fund - Global TransPark Development Commission

In 1993, the General Assembly also authorized the Global TransPark Development Zone to implement a \$5.00 vehicle registration tax. The tax became effective July 1, 1994 and expires in five years. In 1995, this General Assembly exempted trailers from this fee. The fee brings in annual revenues of approximately \$3,000,000. These funds may be used to promote the development of the Global TransPark and to provide land, buildings, facilities, programs, information and data systems, and infrastructure requirements for business and industry in the Global TransPark. The funds can not be used within the Global TransPark complex, and was not allowed to be used as a match for the \$7.5 million appropriated to the Zone in 1993.

CODE NO. 97TRANS-S009

Requested by: Senator Jordan

GLOBAL TRANSPARK AUTHORITY TO REIMBURSE HIGHWAY FUND FROM FEDERAL SOURCES

1 Sec. @. When funds are provided from the Highway Fund
2 to the Global TransPark Authority for environmental impact
3 statements or assessments and the Global TransPark Authority
4 applies for and receives reimbursement for those expenses from
5 federal sources up to one million eight hundred thousand dollars
6 (\$1,800,000), the federal reimbursements shall be paid over by
7 the Global TransPark Authority into the Highway Fund within 30
8 days of receipt. These funds shall be allocated to State-funded
9 maintenance appropriations in the manner approved by the Board of
10 Transportation.

11

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AIRCRAFT AND FERRY ACQUISITIONS

1 Sec. @. G.S. 143B-350 is amended by adding a new
2 subsection to read:

3 "(i) Before approving the purchase of an aircraft from the
4 Equipment Fund or a ferry in a Transportation Improvement
5 Program, the Board of Transportation shall prepare an estimate of
6 the operational costs and capital costs associated with the
7 addition of the aircraft or ferry and shall report those
8 additional costs to the General Assembly pursuant to G.S.
9 136-12(b), and to the Joint Legislative Commission on
10 Governmental Operations."

1 CODE NO. 97TRANS-S010

2

3 Requested by: Senator Jordan

4

5 DEPARTMENT OF TRANSPORTATION TO PAY DEPARTMENT OF CORRECTION ONLY
6 FOR ACTUAL MEDIUM CUSTODY INMATE LABOR

1 Sec. @. The Department of Transportation shall pay the
2 Department of Correction only for the actual labor performed by
3 medium custody inmates.

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Requested by: Senator Jordan

HIGHWAY FUND ALLOCATIONS BY CONTROLLER

1 Sec. @. Chapter 136 of the General Statutes is amended
2 by adding a new section to read:
3 "Sec. 136-????? Allocations by Department Controller to
4 Eliminate Overdrafts.

5 The Controller of the Department of Transportation shall
6 allocate at the beginning of each fiscal year from the various
7 appropriations made to the Department of Transportation in this
8 act, Titles:

9 State Construction

10 State Funds to Match Federal Highway Aid

11 State Maintenance

12 Ferry Operations,

13 sufficient funds to eliminate all overdrafts on State maintenance
14 and construction projects, and these allocations shall not be
15 diverted to other purposes."

16

17 DRAFTER'S NOTE: The correct statutory citation for this section
18 and proper underlining of new material will be added to this
19 provision before its final adoption.

CODE NO. 97TRANS-S???

Requested by: Senator Jordan

RESURFACED ROADS MAY BE WIDENED

Section @. Chapter 136 of the General Statutes is amended by adding a new section to read:

"G.S. 136-44.3A Contract Resurfacing

Of funds appropriated each year to the Department of Transportation for the contract maintenance resurfacing program, an amount not to exceed fifteen percent (15%) of the Board of Transportation's allocation of these funds may be used for widening existing narrow pavements that are scheduled for resurfacing."

Requested by: Senator Jordan

SMALL URBAN CONSTRUCTION PROGRAM DISCRETIONARY FUNDS

1 Sec. @. Of the funds appropriated in this act to the
2 Department of Transportation:
3 (1) Fourteen million dollars (\$14,000,000) shall be
4 allocated in each fiscal year for small urban
5 construction projects. These funds shall be
6 allocated equally in each fiscal year of the
7 biennium among the 14 Highway Divisions for the
8 small urban construction program for small urban
9 construction projects that are located within the
10 area covered by a one-mile radius of the municipal
11 corporate limits.
12 (2) Six million dollars (\$6,000,000) shall be used
13 statewide for rural or small urban highway
14 improvements, industrial access roads, and spot
15 safety projects as approved by the Secretary of the
16 Department of Transportation.
17 None of these funds used for rural secondary road construction
18 are subject to the county allocation formula as provided in G.S.
19 136-44.5.
20 The Department of Transportation shall report to the members of
21 the General Assembly on projects funded pursuant to this section
22 in each member's district prior to the Board of Transportation's
23 action. The Department shall make a quarterly comprehensive
24 report on the use of these funds to the Joint Legislative
25 Transportation Oversight Committee and the Fiscal Research
26 Division.

1 CODE NO. 97TRANS-S016

2

3 Requested by: Senator Jordan

4

5 HIGHWAY FUND ADJUSTMENTS TO REFLECT ACTUAL REVENUE

1 Sec. @. Chapter 136 of the General Statutes is amended
2 by adding a new section to read:

3 "SEC. 136-?????. Highway Fund Adjustments to Reflect Actual
4 Revenue.

5 Any unreserved credit balance in the highway fund on the last
6 day of the fiscal year shall support appropriations in the
7 succeeding fiscal year. If all of the balance is not needed for
8 these appropriations, the Director of the Budget may use the
9 remaining excess to establish a reserve for access and public
10 roads, a reserve for unforeseen happening of a state of affairs
11 requiring prompt action as provided by G.S. 136-44.1, and other
12 required reserves. If all of the remaining excess is not used to
13 establish these reserves, the remainder shall be allocated to the
14 State-funded maintenance appropriations in the manner approved by
15 the Board of Transportation. The Board of Transportation shall
16 report monthly to the Joint Legislative Transportation Oversight
17 Committee and the Fiscal Research Division about the use of the
18 reserve for highway and maintenance.

19

20 DRAFTER'S NOTE: The proper section number and underlining of all
21 new material will be added prior to final adoption of this
22 special provision.

1 CODE NO. 97TRANS-S006A

2

3 Requested by: Senator Jordan

4

5 DRIVERS EDUCATION FUNDING

1 Sec. @. From funds appropriated by this act to the
2 Department of Transportation, the Department shall pay for the
3 increased costs for drivers education due to the projected
4 increase in average daily membership in the ninth grade drivers
5 education program.

6 In allocating funds for driver training, the State Board of
7 Education shall consider the needs of small and low-wealth local
8 school administrative units.

1 CODE NO. 97TRANS-S007

2

3 Requested by: Senator Jordan

4

5 **BRANCH AGENT REIMBURSEMENT RATE**

1 Sec. @. G.S. 20-63(h) reads as rewritten:

2 "(h) Commission Contracts for Issuance of Plates and
3 Certificates. -- All registration plates, registration
4 certificates and certificates of title issued by the Division,
5 outside of those issued from the Raleigh offices of the said
6 Division and those issued and handled through the United States
7 mail, shall be issued insofar as practicable and possible through
8 commission contracts entered into by the Division for the
9 issuance of such plates and certificates in localities throughout
10 North Carolina with persons, firms, corporations or governmental
11 subdivisions of the State of North Carolina and the Division
12 shall make a reasonable effort in every locality, except as
13 hereinbefore noted, to enter into a commission contract for the
14 issuance of such plates and certificates and a record of these
15 efforts shall be maintained in the Division. In the event the
16 Division is unsuccessful in making commission contracts as
17 hereinbefore set out it shall then issue said plates and
18 certificates through the regular employees of the Division.
19 Whenever registration plates, registration certificates and
20 certificates of title are issued by the Division through
21 commission contract arrangements, the Division shall provide
22 proper supervision of such distribution. Commission contracts
23 entered under this subsection shall provide for the payment of
24 compensation at a rate of ~~sixty cents (60¢)~~ one dollar and twenty
25 cents (\$1.20) per transaction. Nothing contained in this
26 subsection will allow or permit the operation of fewer outlets in
27 any county in this State than are now being operated.

28 A transaction is any of the following activities:

- 29 (1) Issuance of a registration plate, a registration
30 card, a registration renewal sticker, or a
31 certificate of title.
32 (2) Issuance of a handicapped placard or handicapped
33 identification card.
34 (3) Acceptance of an application for a personalized
35 registration plate.
36 (4) Acceptance of a surrendered registration plate,
37 registration card, or registration renewal sticker,
38 or acceptance of an affidavit stating why a person

1 cannot surrender a registration plate, registration
2 card, or registration renewal sticker.
3 (5) Cancellation of a title because the vehicle has
4 been junked.
5 (6) Acceptance of an application for, or issuance of, a
6 refund for a fee or a tax, other than the highway
7 use tax.
8 (7) Receipt of the civil penalty imposed by G.S. 20-309
9 for a lapse in financial responsibility or receipt
10 of the restoration fee imposed by that statute.
11 (8) Acceptance of a notice of failure to maintain
12 financial responsibility for a motor vehicle.
13 (9) Collection of the highway use tax.
14 Performance at the same time of any combination of the items
15 that are listed within each subdivision or are listed within
16 subdivisions (1) through (8) of this section is a single
17 transaction. Performance of the item listed in subdivision (9)
18 of this section in combination with any other items listed in
19 this section is a separate transaction."
20

1 CODE NO. 97TRANS-S008

2

3 Requested by: Senator Jordan

4

5 INTERNATIONAL REGISTRATION PLAN BUDGET CODE MERGED INTO VEHICLE
6 REGISTRATION BUDGET CODE

1 Sec. @. Within Budget Code 84260 (Division of Motor
2 Vehicles), fund 0560 (International Registration Plan Section)
3 shall be merged into fund 0520 (Vehicle Registration).

1 CODE NO. 97TRANS-S015

2

3 Requested by: Senator Jordan

4

5 PRIVATIZATION OF THE SCHOOL BUS DRIVER TRAINING PROGRAM

1 Sec. @. The Department of Transportation shall prepare a
2 plan for the privatization of school bus driver training. This
3 plan shall include, but not be limited to the following:

4 (1) A full description of the school bus driver
5 training activities carried out by the Department.

6 (2) An accounting of all costs, both personnel and non-
7 personnel costs, to the Department related to
8 school bus driver training.

9 (3) A list of all Department positions performing
10 functions related to school bus driver training and
11 the portion of time that each position devotes to
12 these functions.

13 (4) A draft request for proposals for private contracts
14 to provide all school bus driver training services.

15 (5) An estimate of the cost of private contracts to
16 provide all school bus driver training services and
17 an explanation of how that estimate was developed.

18 (6) A detailed estimate of the projected cost to the
19 Department to administer contracts for school bus
20 driver training.

21 (7) A schedule for issuing a contract for school bus
22 driver training and a schedule for the elimination
23 of Department positions and expenditures related to
24 that training.

25 Copies of the plan shall be provided to the Chairs of the Joint
26 Legislative Transportation Oversight Committee and the Fiscal
27 Research Division by March 1, 1998.

V.
2.1-5

SPECIAL PROVISION SUMMARY

Global Transpark Authority to Reimburse Highway Fund From Federal Sources

Extends for two years a reimbursement provision for \$1.8 million appropriated to the Global Transpark for an environmental impact statement (EIS). If the Federal Aviation Administration (FAA) reimburses the State for the EIS, the Federal Funds would be deposited into the Highway Fund.

Aircraft and Ferry Acquisitions

Establishes in G.S. a requirement for the Board of Transportation to estimate the operating and capital costs of adding an aircraft or ferry to the fleet and report such costs to the Joint Legislative Commission on Governmental Operations.

Department of Transportation to Pay Department of Correction only for Actual Medium Custody Inmate Labor

The Department of Transportation shall pay the Department of Correction only for the actual labor performed by medium custody inmates.

Highway Fund Allocations by Controller

Establishes in G.S. that the DOT Controller shall allocate funds to eliminate all overdrafts on State maintenance and construction projects.

Resurfaced Roads may be Widened

Establishes in G.S., permission for DOT to use 15% of the contract resurfacing funds to widen existing roads scheduled for resurfacing.

Small Urban Construction Program Discretionary Funds

Appropriates \$14 million for small urban construction projects located within one mile of municipal corporate limits and \$6 million for rural or small urban highway improvements, industrial access roads, and spot-safety projects.

Highway Fund Adjustments to Reflect Actual Revenue

Allows the excess credit balance at year end to be used to create reserves for access and public roads, unforeseen events, and other needs of the department. After the reserves are established, any remaining credit balance goes to maintenance.

Allocation of Funds for Driver Training

States that funding for increase in Driver Education costs will be covered by funds appropriated to DOT. In allocating funds to driver training, the State Board of Education shall consider the needs of small and low-wealth local school administrative units.

Branch Agent Transaction Rate

Sets branch agents transaction rate at \$1.20 in G.S.

Merger of International Registration Plan and Vehicle Registration

Merges budget fund codes for International Registration Plan and Vehicle Registration.

Plan for Privatization of School Bus Driver Training

DOT shall prepare a plan for the privatization of school bus driver training as recommended by MGT performance audit.

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Minutes

March 25, 1997

8:00A.M.

Room 1228 Legislative Building

The Joint Appropriations Subcommittee on Transportation met March 25, 1997 at 8:00A.M. in Room 1228 of the Legislative Building. **Senator Luther Jordan** chaired the meeting. All members of the Senate committee were in attendance. The following members of the House committee were present:

Rep. Joanne Bowie
Rep. Ed McMahan
Rep. Jim Gulley
Rep. Bill Hiatt
Rep. Drew Saunders

Rep. Jerry Dockham
Rep. Bobby Barbee
Rep. Thomas Hardaway
Rep. Mary McAllister
Rep. Ronnie Sutton

Senator Jordan opened the meeting, acknowledged the pages, and turned the meeting over to Mr. Karl Knapp, staff.

Mr. Knapp passed out the proposed special provisions, as well as a summary sheet of the special provisions for the transportation budget. He referred to provision # 5, Resurfaced Roads May Be Widened. Rep. McAllister wanted to know if transportation had already been widening roads. Ruth Sappie, legislative liaison for the Department of Transportation, responded yes. Senator Jordan asked for an example which Ms. Sappie supplied. Senator Eric Reeves asked for an explanation of how reversion funds are reported. Ms. Sappie said the appropriate people to respond to that question were not available. Senator Reeves then wanted someone to talk about contract amendments, specifically about where the report goes. Ms. Sappie said the report goes to the Administrators. Senator Reeves also wanted to know how reserves are used. Mr. Wayne Stallings, DOT controller said that it is possible that all money is through appropriations without the reserves figuring at all. Nevertheless, it is all handled through the Transportation Board. Senator Reeves wanted to know how the committee was supposed to know the % of funding used that was over budget. Rep. Bowie said the information should be readily available.

Senator Jordan brought the meeting back to the agenda, and special provision 5. He flagged the provision for later discussion. Mr. Knapp went on to provision # 6, Small Urban Construction Program Discretionary Funds. Rep. Bowie wanted to know if committee were only reviewing the special provisions. Senator Jordan said yes. Senator Charles Albertson moved to accept provision #6. His motion carried. Mr. Knapp reviewed provision #7, Highway Fund Adjustments to Reflect Actual Revenue. Rep. McAllister moved to accept the provision. Her motion carried. Provision 8, Allocation of Funds for Driver Training. Rep. Sutton wanted to know if this would benefit low

wealth and small schools. Ann Berlam from the State Board of Education said yes. Rep. Barbee moved to accept the provision. His motion carried.

Mr. Knapp moved on to special provision #9, Branch Agent Transaction Rate. Rep. Barbee wanted to know if we were proposing more money for the branch agents to which Mr. Knapp responded, no proposal has been made. Mr. Vernon McBride of the N. C. Trucking Assoc., wondered how much discretion DMV has with the Branch Agent funds. He suggested this item for the Continuation Budget. Senator Jordan asked about customer service. Ruth Sappie said the number of complaints in customer services has been reduced. Rep. Dockham moved to accept Provision #9. His motion carried.

The next special provision discussed was International Registration Plan Budget Code Merged Into Vehicle Registration Budget Code. Rep. Hiatt made a motion, which carried to accept the provision.

The last special provision discussed was Privatization of The School Bus Driver Training Program. (See handout for all special provisions). After discussion, Rep. Sutton made a motion to accept the provision. The motion carried.

Senator Jordan asked about inmate labor and how we pay. The response was we pay 10.7 million to the Dept. of Corrections, and yes they did come up short. Rep. Barbee and Sen. Rucho expressed their like for the provision #3 which means Corrections only gets paid for what they actually do.

Mr. Tony Goldman introduced another special provision, Highway Fund Limitations on Overexpenditures, which would allow DMV to transfer funds at a level of 10%. It also allows DOT to address emergencies and transfers cannot be made out of these funds into administration. There was additional discussion regarding the provision and Senator Jordan asked that Mr. Larry Goode attend the committee meeting on Wednesday. After further discussion Rep. McAllister agreed the provision should be held due to a lack of specifics.

Mr. Jim Sughrue, Vice President of Communications, Global Transpark Authority, was introduced and he handed out a brochure with Environmental Impact Statement Questions & Answers. Mr. Sughrue said the Global Transpark Foundation is raising money. They have a 20million dollar commitment. The Foundation is chaired by Mr. Jim Martin, ex Governor of North Carolina. Rep. Bowie asked how many clients does Global Transpark have. Mr. Sughrue said they have one client, Mountain Air Cargo, and three prospects, two of which are fortune 500 companies and one is an aviation company. The infrastructure is not in place due to the EIS. Senator Jordan wanted to know how long before the federal money is received. Mr. Sughrue thought the money would be received after completion of the EIS, which should be completed by this summer. Regarding personnel, Mr. Sughrue said they have eight persons working in Raleigh and two in Kinston. In response to a question by Sen. Jordan regarding staff consolidation, Mr. Sughrue said the bulk of the work is in Raleigh.

Mr. Sughrue continued saying that the Global Transpark is moving faster than RTP. Rep. Sutton stated that he believes the Transpark to be a big drain on the state. In response to a question by Sen. Carpenter, Mr. Sughrue said essentially there is no competition, however West Virginia is looking at a similar project. In response to a question by Sen. Rucho, the employees are: executive director, vice president for marketing, intergovernmental program coordinator, communications, and three support personnel, and one person to bring in new business. Rep. Dockham said that the House members were not voting on this today.

Mr. Sughrue resumed speaking, this time about the runway which needs to be increased to beyond 10,000 feet. The FAA has looked at the need and there is a major environmental study taking place. In response to a question by Rep. Hardaway, no negative environmental issue is expected. Construction of the remaining runway will take 2 to 2 ½ years. Rep. Hardaway also wanted to know what about minority and women participating. Mr. Sughrue said he did not know. Mr. Sughrue was asked to obtain that information for the committee.

Senator Jordan stated that on 3/26, the committee will began the expansion budget. Global Transpark representatives were asked to return to a future meeting. Senator Jordan then adjourned the meeting at 10A.M.



Senator Luther H. Jordan, Jr.
Senate Chairperson



Gloria Haywood
Senate Committee Clerk

JOINT APPROPRIATIONS
TRANSPORTATION SUBCOMMITTEE

March 25, 1997

Agenda

1. Continuation Budget Review

Special Provisions
Karl Knapp, Staff

2. Global Transpark

Jim Sughrue
Vice President, Communication
Global Transpark Authority

3. Follow-up Issues

Battery Dump Cleanup
DOT

Driver Education/Div. of Motor Vehicles
DOT

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1 CODE NO. 97TRANS-S010

2

3 Requested by: Senator Jordan

4

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Requested by: Senator Jordan

RESURFACED ROADS MAY BE WIDENED

Section @. Chapter 136 of the General Statutes is amended by adding a new section to read:

"G.S. 136-44.3A Contract Resurfacing

Of funds appropriated each year to the Department of Transportation for the contract maintenance resurfacing program, an amount not to exceed fifteen percent (15%) of the Board of Transportation's allocation of these funds may be used for widening existing narrow pavements that are scheduled for resurfacing."

Requested by: Senator Jordan

SMALL URBAN CONSTRUCTION PROGRAM DISCRETIONARY FUNDS

1 Sec. @. Of the funds appropriated in this act to the
2 Department of Transportation:

3 (1) Fourteen million dollars (\$14,000,000) shall be
4 allocated in each fiscal year for small urban
5 construction projects. These funds shall be
6 allocated equally in each fiscal year of the
7 biennium among the 14 Highway Divisions for the
8 small urban construction program for small urban
9 construction projects that are located within the
10 area covered by a one-mile radius of the municipal
11 corporate limits.

12 (2) Six million dollars (\$6,000,000) shall be used
13 statewide for rural or small urban highway
14 improvements, industrial access roads, and spot
15 safety projects as approved by the Secretary of the
16 Department of Transportation.

17 None of these funds used for rural secondary road construction
18 are subject to the county allocation formula as provided in G.S.
19 136-44.5.

20 The Department of Transportation shall report to the members of
21 the General Assembly on projects funded pursuant to this section
22 in each member's district prior to the Board of Transportation's
23 action. The Department shall make a quarterly comprehensive
24 report on the use of these funds to the Joint Legislative
25 Transportation Oversight Committee and the Fiscal Research
26 Division.

1 CODE NO. 97TRANS-S016

2

3 Requested by: Senator Jordan

4

5 HIGHWAY FUND ADJUSTMENTS TO REFLECT ACTUAL REVENUE

1 Sec. @. Chapter 136 of the General Statutes is amended
2 by adding a new section to read:

3 "SEC. 136-?????. Highway Fund Adjustments to Reflect Actual
4 Revenue.

5 Any unreserved credit balance in the highway fund on the last
6 day of the fiscal year shall support appropriations in the
7 succeeding fiscal year. If all of the balance is not needed for
8 these appropriations, the Director of the Budget may use the
9 remaining excess to establish a reserve for access and public
10 roads, a reserve for unforeseen happening of a state of affairs
11 requiring prompt action as provided by G.S. 136-44.1, and other
12 required reserves. If all of the remaining excess is not used to
13 establish these reserves, the remainder shall be allocated to the
14 State-funded maintenance appropriations in the manner approved by
15 the Board of Transportation. The Board of Transportation shall
16 report monthly to the Joint Legislative Transportation Oversight
17 Committee and the Fiscal Research Division about the use of the
18 reserve for highway and maintenance.

19

20 DRAFTER'S NOTE: The proper section number and underlining of all
21 new material will be added prior to final adoption of this
22 special provision.

1 CODE NO. 97TRANS-S006A

2

3 Requested by: Senator Jordan

4

5 DRIVERS EDUCATION FUNDING

1 Sec. @. From funds appropriated by this act to the
2 Department of Transportation, the Department shall pay for the
3 increased costs for drivers education due to the projected
4 increase in average daily membership in the ninth grade drivers
5 education program.

6 In allocating funds for driver training, the State Board of
7 Education shall consider the needs of small and low-wealth local
8 school administrative units.

1 CODE NO. 97TRANS-S007

2

3 Requested by: Senator Jordan

4

5 BRANCH AGENT REIMBURSEMENT RATE

1 Sec. @. G.S. 20-63(h) reads as rewritten:

2 "(h) Commission Contracts for Issuance of Plates and
3 Certificates. -- All registration plates, registration
4 certificates and certificates of title issued by the Division,
5 outside of those issued from the Raleigh offices of the said
6 Division and those issued and handled through the United States
7 mail, shall be issued insofar as practicable and possible through
8 commission contracts entered into by the Division for the
9 issuance of such plates and certificates in localities throughout
10 North Carolina with persons, firms, corporations or governmental
11 subdivisions of the State of North Carolina and the Division
12 shall make a reasonable effort in every locality, except as
13 hereinbefore noted, to enter into a commission contract for the
14 issuance of such plates and certificates and a record of these
15 efforts shall be maintained in the Division. In the event the
16 Division is unsuccessful in making commission contracts as
17 hereinbefore set out it shall then issue said plates and
18 certificates through the regular employees of the Division.
19 Whenever registration plates, registration certificates and
20 certificates of title are issued by the Division through
21 commission contract arrangements, the Division shall provide
22 proper supervision of such distribution. Commission contracts
23 entered under this subsection shall provide for the payment of
24 compensation at a rate of ~~sixty cents (60¢)~~ one dollar and twenty
25 cents (\$1.20) per transaction. Nothing contained in this
26 subsection will allow or permit the operation of fewer outlets in
27 any county in this State than are now being operated.

28 A transaction is any of the following activities:

- 29 (1) Issuance of a registration plate, a registration
30 card, a registration renewal sticker, or a
31 certificate of title.
32 (2) Issuance of a handicapped placard or handicapped
33 identification card.
34 (3) Acceptance of an application for a personalized
35 registration plate.
36 (4) Acceptance of a surrendered registration plate,
37 registration card, or registration renewal sticker,
38 or acceptance of an affidavit stating why a person

1 cannot surrender a registration plate, registration
2 card, or registration renewal sticker.
3 (5) Cancellation of a title because the vehicle has
4 been junked.
5 (6) Acceptance of an application for, or issuance of, a
6 refund for a fee or a tax, other than the highway
7 use tax.
8 (7) Receipt of the civil penalty imposed by G.S. 20-309
9 for a lapse in financial responsibility or receipt
10 of the restoration fee imposed by that statute.
11 (8) Acceptance of a notice of failure to maintain
12 financial responsibility for a motor vehicle.
13 (9) Collection of the highway use tax.
14 Performance at the same time of any combination of the items
15 that are listed within each subdivision or are listed within
16 subdivisions (1) through (8) of this section is a single
17 transaction. Performance of the item listed in subdivision (9)
18 of this section in combination with any other items listed in
19 this section is a separate transaction."
20

1 CODE NO. 97TRANS-S008

2

3 Requested by: Senator Jordan

4

5 INTERNATIONAL REGISTRATION PLAN BUDGET CODE MERGED INTO VEHICLE
6 REGISTRATION BUDGET CODE

1 Sec. @. Within Budget Code 84260 (Division of Motor
2 Vehicles), fund 0560 (International Registration Plan Section)
3 shall be merged into fund 0520 (Vehicle Registration).

1 CODE NO. 97TRANS-S015

2

3 Requested by: Senator Jordan

4

5 PRIVATIZATION OF THE SCHOOL BUS DRIVER TRAINING PROGRAM

1 Sec. @. The Department of Transportation shall prepare a
2 plan for the privatization of school bus driver training. This
3 plan shall include, but not be limited to the following:

4 (1) A full description of the school bus driver
5 training activities carried out by the Department.

6 (2) An accounting of all costs, both personnel and non-
7 personnel costs, to the Department related to
8 school bus driver training.

9 (3) A list of all Department positions performing
10 functions related to school bus driver training and
11 the portion of time that each position devotes to
12 these functions.

13 (4) A draft request for proposals for private contracts
14 to provide all school bus driver training services.

15 (5) An estimate of the cost of private contracts to
16 provide all school bus driver training services and
17 an explanation of how that estimate was developed.

18 (6) A detailed estimate of the projected cost to the
19 Department to administer contracts for school bus
20 driver training.

21 (7) A schedule for issuing a contract for school bus
22 driver training and a schedule for the elimination
23 of Department positions and expenditures related to
24 that training.

25 Copies of the plan shall be provided to the Chairs of the Joint
26 Legislative Transportation Oversight Committee and the Fiscal
27 Research Division by March 1, 1998.

1 CODE NO. 97TRANS-S012

2

3 Requested by: Senator Jordan

4

5 HIGHWAY FUND LIMITATIONS ON OVEREXPENDITURES

1 Sec. @. (a) Overexpenditures from Section ???? of this
2 act may be made by authorization of the Director of the Budget,
3 Titles:

4 State Construction Primary Construction

5 State Construction Urban Construction

6 Spot Safety Construction

7 State Construction Access and Public Service Roads

8 State Funds to Match Federal Highway Aid

9 State Maintenance

10 Ferry Operations,

11 provided that there are corresponding underexpenditures from
12 these same Titles. Overexpenditures or underexpenditures in any
13 Titles may not vary by more than ten percent (10%) without prior
14 consultation with the Advisory Budget Commission. Written
15 reports covering overexpenditures or underexpenditures of more
16 than ten percent (10%) shall be made to the Joint Legislative
17 Oversight Committee. The reports shall be delivered to the
18 Director of the Fiscal Research Division not less than 96 hours
19 prior to the beginning of the Commission's full meeting.

20 (b) Overexpenditures from Section ~~XX~~ of this act,
21 Titles:

22 State Construction Primary Construction

23 State Construction Urban Construction

24 Spot Safety Construction

25 State Construction Access and Public Service Roads

26 State Funds to Match Federal Highway Aid

27 State Maintenance

28 Ferry Operations,

29 for the purpose of providing additional positions shall be
30 approved by the Director of the Budget and shall be reported on a
31 quarterly basis to the Joint Legislative Highway Oversight
32 Committee and to the Fiscal Research Division.

VISITOR REGISTRATION SHEET

APPROPRIATIONS-DEPARTMENT OF TRANSPORTATION

Committee

Date _____

VISITORS: Please sign below and return to Committee Clerk

NAME	FIRM or AGENCY and ADDRESS
Jim Sweeney	NC GTP Authority
Artie Kimmick	NC DPT
Ruth Sappie	NC DOT
Tony Spence	NC DMV
Graydon Kelley	AG's office - DOT
WAYNE STALLINGS	NC DOT
Milton G. Alford	OSBM
Don Crutch	CCASL
W L McBride	NETA
Mervin Benton	DOT

**THE JOINT LEGISLATIVE
APPROPRIATIONS
SUB-TRANSPORTATION COMMITTEE**

**MARCH 26, 1997
8:30 AM
ROOM 1327**

The Joint Legislative Appropriations/sub-Transportation Committee met in Room 1327 at 8:30 am on Wednesday, March 26, 1997. **Representative Joanne Bowie** called the meeting to order. Visitor's Sheet attached.

Members Present:

Representative Joanne Bowie, Co-Chair
Representative Ed McMahan, Co-Chair
Representative Dan Blue
Representative Bill Hiatt
Representative Mary McAllister
Representative Ron Sutton

Representative Jerry Dockham, Co-Chair
Representative Bobby Barbee
Representative Thomas Hardaway
Representative Jim Gulley
Representative Drew Saunders
4 Senators

Representative Bowie introduced **Mr. William T. Powell, Executive Director, Global TransPark** (see attachment I. Pg. 1-4). Mr. Powell presented a review of the TransPark's progress in the past year.

- Runway pavement has been extended 8600 feet.
- The final Environmental Impact Statement should be completed by summer of 1997 and construction should begin in October of 1997.
- Mountain Air Cargo, the TransPark's first tenant, has completed its facility and expects employment to reach 200.
- Marketing Program is going well. TransPark is negotiating with three companies in the latest stages of site discussion; two of which are fortune five hundred companies.

Representative Hardaway requested background information on Mountain Air Cargo. Mr. Powell explained that Mountain Air Cargo is best known as a supplier or contract carrier for Federal Express Corporation. They own 85 planes. Mountain Air is working currently on a merger with a fortune five hundred company that would triple Mountain Air Cargo's size. Mountain Air is currently paying an average salary of \$14.00 per hour.

Discussion took place in regard to funding of the Global TransPark. Through the Global TransPark Authority, North Carolina has invested \$17 million in planning, engineering, environmental assessment and the Environmental Impact Statement. The Department of Defense has spent \$5 million to improve the current runway. North Carolina has appropriated \$3.3 million and the federal government \$3 million for the Federal Aviation Administration to extend the current runway to 10,500 feet and provide proper navigational aids. Subsequent investments will be driven by private investment and demand for expanded facilities.

Tony Goldman, Fiscal Research Division presented a report on follow-up issues from previous Committee discussion:

1. Battery Dump Clean-up

Grayson Kelley, Attorney General's Office, explained that a number of state and private agencies used the site in Concord; therefore, joint responsibility for the clean up has been pending with the Environmental Protection Agency. The State's responsibility may be about \$50,000.00. Mr. Grayson explained the actual clean up will take several years. Studies have just been completed and the clean up has not yet begun.

2. Driver Education Instructors Providing Driver Education Testing For Students Within The School System to Receive Their Permit.

Ruth Sappie introduced **Ann Berlam, Legislative Director State Board of Education**. Ms. Berlam explained the driver education instructors could offer driver education testing within the school system for students to receive their permit, rather than students going through the DMV Office. Ms. Berlam indicated the Education Department would be willing to work with the DMV toward this effort.

Ms. Sappie suggested several issues would have to be dealt with, including the new proposed legislation, House Bill 248, *Graduated Drivers Licenses*. Ms. Sappie requested that the Committee consider a legislative study to review the issue before making any decision.

Representative Hiatt, Representative Bowie and Senator Jordan requested that staff prepare a provision to study the possibility of driver education instructors providing testing within the school system for students to receive their permit - versus going to the DMV office.

3. Adjustment to Highway Contracts.

Senator Reeves asked for an explanation of how the bid process for contracts works and how it is reported? A representative from the contract department explained the bid process is determined by the cubic yard. Actual quantities are determined by the DOT. Field engineers approve the pricing costs and follow any change orders or over runs that affect cost. The Division Engineers make the final approval for payment to the contractors. Discussion took place.

Mr. Goldman reviewed **Highway Fund Limitations On Over expenditures** (see handout II) **Code 84230 Transportation Construction and Maintenance** (Budget Book on Pg. 130). Mr. Goldman noted this provision explains that written reports covering over expenditures or under expenditures of more than ten percent shall be made to the Joint Legislative Oversight Committee.

The **Committee voted and approved** the provision **Highway Fund Limitations on Over Expenditures** (see handout II).

Tony Goldman, Fiscal Research Division, introduced **Mr. Don Goins, Chief Engineer Of Operations, DOT**, to present an overview of the Maintenance Budget (see handout III. Pg. 1-2).

Mr. Goins indicated:

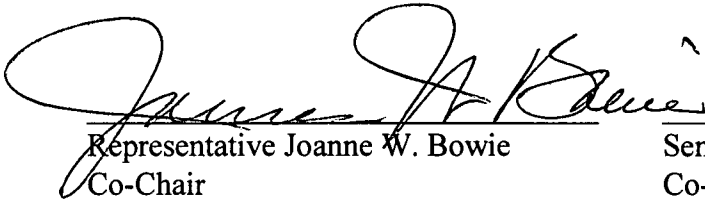
- the annual routine maintenance needs are dependent on level of service provided,
- the annual resurfacing needs have increased \$123.4 million to \$150 million,
- an identified backlog of \$260 million in 1994 has been reduced to \$177 million,
- the routine maintenance budget includes \$39.5 million for bridge maintenance,
- an additional \$20.0 million from Secondary Road Construction Funds to supplement,
- unreserved credit balance designated by Highway Administrator to address backlog needs.

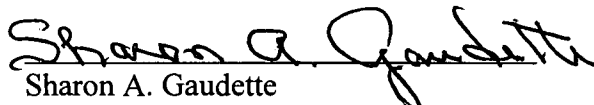
Committee discussion took place.

Joint Appropriations/sub-Transportation Committee
March 26, 1997

Meeting adjourned at 9:55 am.

Respectfully Submitted:

 
Representative Joanne W. Bowie Senator Luther Jordan, Jr.
Co-Chair Co-Chair


Sharon A. Gaudette
Committee Clerk

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Sub-Committee Transportation
Name of Committee

3/26/97
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

Don Goins	N.C.D.O.T.
Len Sanderson	NC DOT
Tony Spence	DOT/Dmv
Milton Alfred	OSBM
Danny Rogers	NC DOT
Artie Kamaya	NC DPI
Ann Belam	SBE
Jim Sime	NC GTPA
V. L. McBride	NC TPA
Wayne Stallings	NC DOT
Lenwood V. Long	NC GTP
LT Paul J	NC GTP
Rebecca Benton	NC DOT
Jim Upchurch	CP&L

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Sub-Committee Transportation
Name of Committee

3/26/97
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

[illegible]

JOINT APPROPRIATIONS

TRANSPORTATION SUBCOMMITTEE

March 26, 1997

Agenda

1. Global Transpark

William T. Powell
Executive Director

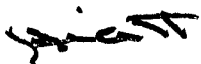
Jim Sughrue
Vice President, Communication

Global Transpark Authority

2. Follow-up Issues



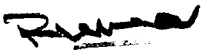
Battery Dump Cleanup
DOT



Driver Education/Div. of Motor Vehicles
DOT



Adjustments to Highway Contracts
DOT



Over-expenditures Provision
Tony Goldman, Staff

✓3. Maintenance

Don Goins
Chief Engineer

4. Capital

Cameron Lee
DOT

5. Welcome Centers

Ruth Sappie
DOT

Who prepared the Draft Environmental Impact Statement?

The U.S. government. The Federal Aviation Administration is the lead agency and the U.S. Army Corps of Engineers a cooperating agency in the process. The FAA selected URS Greiner, Inc. to develop the Draft Environmental Impact Statement.

How will the FAA and the Corps of Engineers use the EIS?

As part of the Environmental Impact Statement process, the Global TransPark Authority will ask the Federal Aviation Administration to:

1. Approve the Authority's request to assume the local sponsor role for the Kinston Regional JetPort facility and expanded cargo airport facilities;

2. Approve a revised Airport Layout Plan for the Cargo Airport, including a number of specific improvements;

3. Approve new flight procedures into and out of the airport;

4. Proceed with processing an application for federal funding of eligible improvements.

The Global TransPark Authority will also ask the U.S. Army Corps of Engineers for a permit to develop some wetland areas and to approve the Authority's plan to compensate for loss of wetlands.

What is the permit area?

The Permit Area covers a 5,775 acre development area. This area includes the existing airport plus additional land to accommodate a runway of up to 11,500 feet, industrial sites, central cargo operations and improved road and rail infrastructure. The Permit Area also includes surrounding areas where public and private development is expected to occur over the next 10 years.

Will the Global TransPark eventually be larger than the 5,775 acres being developed in the first 10 years?

Yes, the Global TransPark's Master Plan projects that the park will eventually encompass about 15,700 acres.

What is the role of the Global TransPark Authority in the EIS process?

The Global TransPark Authority is the project proponent, and, as such, the Authority provides information as directed by the FAA. The Authority is not permitted "to discuss, review, modify or edit" the work of the contractor or subcontractors prior to submission to the FAA. The Authority cannot influence the objectivity of the Draft Environmental Impact Statement.



®

Has it taken a long time to prepare the EIS for the Global TransPark?

Yes, but not an unusually long time. Environmental Impact Statements are by law and design lengthy processes. The National Environmental Policy Act requires that the project sponsor (the FAA in the case of the Global TransPark) consider impacts on the environment, peoples' lives and public and private resources when deciding on the best course of action.

The Environmental Impact Statement provides a record of the decision process and the research that went into it. An EIS is often required as part of the application process for federal funding for airports, highways and other public works projects.

Two to three years to complete an Environmental Impact Statement is not unusual -- consider the proposed 300-foot extension of the Bridgeport (NJ) Airport where the EIS process is now in its 30th month.

URS Greiner began work on the Global TransPark EIS in February 1995. Under the FAA's current projected timetable, the Final EIS should be completed by the summer of 1997.

The process is lengthy because of a number of factors. More than 30 federal laws, regulations and presidential executive orders must be considered. The process includes collection of data in 22 impact categories; coordination of analyses of policy and regulations among federal, state and local government agencies; collection of public comment; examination of alternatives, etc.

NORTH CAROLINA GLOBAL TRANSPARK AUTHORITY

P.O. Box 27406 ■ 225-125 Hillsborough Street ■ Raleigh, North Carolina 27611-7406

Phone: 1-919-733-1365 ■ Fax: 1-919-733-1359

www.globaltranspark.com

The Global TransPark is a unique project. It is more than an airport -- it is a unique industrial and transportation complex. The time required for the Environmental Impact Statement has been influenced by the comprehensive nature and scope of the project.

What does an Environmental Impact Statement cost?

That varies widely from project to project, whether for roads or airports or other public projects. A recent EIS for the addition of two new runways on existing airport property at St. Louis cost \$2 million. That project is far less complicated than the Global TransPark because 1) it covers land already owned by the airport and 2) it does not include the added dimension of manufacturing/ distribution development. The cost of preparing the EIS for the Global TransPark will be about \$2.5 million. That outlay is eligible for federal reimbursement when the project is approved.

What geographical area does the Environmental Impact Statement cover?

It covers both the GTP site and outlying areas, including surrounding counties. Direct, indirect and induced effects of the project are documented in the EIS.

What concerns does an Environmental Impact Statement address?

Here are some of the topics: air quality, wetlands, water resources, water quality, stormwater, floodplains, wastewater, wildlife, plants and trees, noise, relocation of residents, businesses, schools, churches and cemeteries, roads, historical sites, school enrollments, crime, natural gas, electricity, chemical storage and handling, solid waste and impervious surfaces.

Does the EIS include projections about the economic impact of the Global TransPark?

Yes. The EIS includes projections on job creation, manufacturing investment, air cargo shipments and other economic activity.

What is the Global TransPark Authority's vision for the project?

By the turn of the century, the Global TransPark will be fully operational, with its initial core capabilities in place and industrial development under way. As it grows, cargo from factories and farms across North Carolina and the entire East Coast will be transported through the GTP, destined for countries in the Global TransPark Network and beyond. Components and parts from around the world will arrive at the GTP to be assembled and processed into finished goods. The GTP will be acknowledged as a national and international leader in this type of innovative infrastructure development.

What makes the GTP concept likely to succeed?

The first and foremost indicator of success is the strong, positive response the GTP marketing team has received from business and industry.

There are a number of other reasons:

- ◆ The GTP is designed to meet the present and emerging needs of global commerce.
- ◆ Projects similar to the GTP are demonstrating success.
- ◆ Air cargo shipments are growing at a rate five times greater than air passenger service.
- ◆ Manufacturers are adapting just-in-time manufacturing and distribution practices to meet customer demand. These new GTP strategies are gaining in popularity rapidly because they reduce inventory costs for manufacturers and customers.
- ◆ Numerous trends and studies demonstrate convincingly that initiatives like the Global TransPark are necessary to compete in the 21st century—and that they will succeed.
- ◆ National Transportation Policy promotes the intermodal systems offered by the Global TransPark. The policy says systems such as the Global TransPark “will enhance the ability of industry in the United States to compete in the global marketplace.”

When will further extension of the current runway begin?

That depends on the FAA's timing after the Environmental Impact Statement is completed. The Global TransPark Authority would like to secure FAA funding and begin extending the runway from 8,600 feet to 10,500 feet in 1997 or 1998.

What is the outlook for private business investment at the Global TransPark?

The Global TransPark has its first tenant, Mountain Air Cargo/Mountain Aircraft Services, which began operating in its new \$8.5-million facility beside the current runway in August. Several other companies are discussing location at the TransPark. Most location decisions at the Global TransPark will be made after the Federal Aviation Administration's record of decision and project funding. Private sector development is expected to quickly eclipse government spending. That has been the case with similar projects.

For example, the FAA fully funded construction of the runway at Alliance Airport in Texas at a cost of \$167 million. In the six years since that runway was completed, private investment at Alliance has exceeded \$2 billion. That's a 12-to-1 return on public investment to date, and Alliance will gain many more private sector investments in the years ahead.

When will the airport begin cargo flights?

The runway was strengthened and extended this summer, increasing its full strength structural pavement to 8,600 feet. A number of carriers are expressing an interest in using the airport for cargo service and are awaiting the outcome of the EIS. The improved runway is now a viable base of operations for loaded DC-8 class cargo aircraft.

What happens if the Global TransPark does not work?

The North Carolina Global TransPark has been responsible for:

- ◆ A much-improved airport capable of increased passenger and cargo service.
- ◆ An exciting and viable new air cargo and aircraft services business at the airport.
- ◆ A new \$6.3 million Education and Training Center as an asset to area education and expanding industry.
- ◆ A Foreign Trade Zone designation by the U.S. Department of Commerce.
- ◆ New training alliances with Reserve and National Guard air units.

These assets will remain in place and help the region continue to attract new manufacturing and commercial investment.

Why did the authority decide to improve and lengthen the current runway?

The planned extension is the quickest and least expensive way to meet the runway requirements of large cargo aircraft.

The U.S. Department of Defense funded improvements to the current runway to improve its utility as a pilot training site. The runway has been strengthened and lengthened to 8,600 feet. The longer runway and safety improvements enable the Department of Defense to keep KC-135 crews closer to their base stations during training exercises. The resulting higher quality landing surface and a greater load-bearing capacity benefit all airport users. Now that the existing runway has been improved, extension is the best way to get to a runway that can handle large cargo aircraft.

How will the Global TransPark affect the Neuse River?

The Global TransPark Authority understands the importance of the Neuse River and has always taken steps to protect it through proper environmental planning.

Stormwater management and planned mitigation measures at the TransPark will control runoff; at present, it is often uncontrolled. Off-site mitigation will provide additional benefits. Also, the City of Kinston has committed to high standards in wastewater treatment. Together with other steps taken throughout the region, these measures will ensure that the highest possible quality surface water is maintained.

How will the Global TransPark affect wetlands?

State and federal laws require that wetland impacts be avoided where possible and minimized where they must take place. Wetlands lost to construction must be replaced under an approved plan.

The Global TransPark Authority's Mitigation Plan will include substantial protection and enhancement of wetlands. The Plan will place particular emphasis on preserving and protecting quality wetlands near streams and improving off-site wetlands. There will be a net gain of quality wetlands. About 871 acres of wetlands may be altered by development in the Permit Area.

How immediate are the wetland impacts?

Impacts to wetlands in the Permit Area are expected to occur gradually over a 10-year period. The first impacts will occur as part of the runway extension. Impacts to wetlands in the Global TransPark beyond the Permit Area will occur over several decades and will be properly mitigated.

How will wetland impacts in the Permit Area be mitigated?

The Global TransPark Authority will plant trees and streamside shrubs on-site. The Authority will remove man-made ditches and restore streams to their natural condition. A new wetland-wildlife refuge will run through the 5,775-acre permit area. Riverine wetlands along Stonyton Creek will be restored. Area tributaries will be altered to provide steady-state stream and floodplain conditions. Erosion control measures will be implemented by seeding slopes and installing silt fences. A stormwater management site on the upper reaches of Stonyton Creek will reduce sedimentation.

Off-site, the Global TransPark Authority will create a wetland-wildlife refuge by planting trees, backfilling man-made ditches and removing windrows of trash left from timbering and clear-cutting. The Authority will reintroduce wildlife to the off-site area.

Will people have to be relocated because of the Global TransPark?

Yes. Relocations will occur over time as the project is developed.

The government will be required to pay fair market value for any land acquired for the public purposes. Residential relocation assistance must be provided to people who live on land that is purchased by the government.

Most relocations will result from privately negotiated purchases of land to be used for manufacturing and business purposes.

The exact number and timing of relocations will be determined once the FAA approves the final design of the extended runway and the state completes its design of access roads, a rail spur and other infrastructure.

How much will the Global TransPark cost?

Through the Global TransPark Authority, North Carolina has invested \$17 million in planning, engineering, environmental assessment and the Environmental Impact Statement. The Department of Defense has spent \$5 million to improve the current runway. North Carolina has appropriated \$3.3 million and the federal government \$3 million for an educational and training center. The Global TransPark Authority will seek about \$35 million from the Federal Aviation Administration to extend the current runway to 10,500 feet and provide proper navigational aids. Subsequent investment will be driven by private investment and demand for expanded facilities.

What federal funding is available for the project?

The FAA utilizes an airport development trust fund for new and existing airport projects. The trust fund accrues through fees paid by the users public airports.

A \$5 annual license plate fee is being levied in the counties in the Global TransPark region. Is that money being used to develop the Global TransPark?

No. The license plate fee is being used by the 13 counties to stimulate economic development in the counties. By law, the license plate fee cannot be used for development of the TransPark itself.

Why doesn't the private sector do the whole project?

The roles of the public and private sectors in developing the Global TransPark is in keeping with long-standing policy in North Carolina: Government supports economic development through such things as infrastructure and education, while business investment creates new jobs.

This public/private approach has been the nature of economic development in the state and it has a solid record of success. It is important to note that public/private partnering has worked well on major projects, in addition to being the general rule.

For example, it is safe to say that without public involvement, North Carolina would not have the Research Triangle Park. The RTP has benefited greatly from public investment in roads, water and sewer infrastructure and Raleigh-Durham International Airport. Additionally, the RTP has grown through federal investments in facilities for public agencies such as the Environmental Protection Agency and the National Institute of Environmental Health Science.

What is the role of the Department of Defense in the project?

The Department of Defense has shown strong interest in using the Global TransPark in its global distribution of supplies and equipment to the military. The Department's Defense Logistics Agency, which annually distributes more than \$30 billion in military supplies globally, views the Global TransPark as a model for reducing inventories and speeding distribution. The Master Plan sets aside more than 200 acres for the Department of Defense.

Approved #

1 CODE NO. 97TRANS-S012

2

3 Requested by: Senator Jordan

4

5 HIGHWAY FUND LIMITATIONS ON OVEREXPENDITURES

1 Sec. @. (a) Overexpenditures from Section ??? of this
2 act may be made by authorization of the Director of the Budget,
3 Titles:

4 State Construction Primary Construction

5 State Construction Urban Construction

6 Spot Safety Construction

7 State Construction Access and Public Service Roads

8 State Funds to Match Federal Highway Aid

9 State Maintenance

10 Ferry Operations,

11 provided that there are corresponding underexpenditures from
12 these same Titles. Overexpenditures or underexpenditures in any
13 Titles may not vary by more than ten percent (10%) without prior
14 consultation with the Advisory Budget Commission. Written
15 reports covering overexpenditures or underexpenditures of more
16 than ten percent (10%) shall be made to the Joint Legislative
17 Oversight Committee. The reports shall be delivered to the
18 Director of the Fiscal Research Division not less than 96 hours
19 prior to the beginning of the Commission's full meeting.

20 (b) Overexpenditures from Section ??? of this act,
21 Titles:

22 State Construction Primary Construction

23 State Construction Urban Construction

24 Spot Safety Construction

25 State Construction Access and Public Service Roads

26 State Funds to Match Federal Highway Aid

27 State Maintenance

28 Ferry Operations,

29 for the purpose of providing additional positions shall be
30 approved by the Director of the Budget and shall be reported on a
31 quarterly basis to the Joint Legislative Highway Oversight
32 Committee and to the Fiscal Research Division.

III
Pg. 1-2

MAINTENANCE BUDGET 1996-97

1996-97 MAINTENANCE NEEDS:

(Millions)

Routine Maintenance(1)		\$358.0
	Primary	\$109.0
	Secondary	\$211.0
	Urban	\$ 38.0
Contract Resurfacing (2)		\$150.0
Maintenance Backlog (3)		\$ 31.6
Total		\$539.6

1996-97 BUDGET:

Routine Maintenance(4)		\$350.2
	Primary	\$108.5
	Secondary(5)	\$205.5
	Urban	\$ 36.2
Contract Resurfacing		\$100.9
Maintenance Backlog (6)		\$ 11.1
Total		\$462.2

-
- (1) Annual routine maintenance needs are dependent on level of service provided. 1994 study showed annual need of \$316 million to maintain system to current level. \$358 million reflects increased costs including \$7.0 million for medium custody inmate labor and \$42.0 million for Bridge Maintenance.
- (2) Annual resurfacing needs have increased from \$123.4 million to \$150 million. This reflects an increase in plant mix asphalt prices as well as increased paved road mileage as a result of the highway trust fund paving of secondary roads. This figure does not include interstate needs.
- (3) Identified backlog of \$260 million in 1994 has been reduced to \$177 million. However, we have not surveyed system to determine backlog generated in last three years. In 1996, maintenance forces were utilized for disaster response (two major snow storms and Hurricanes Bertha and Fran) which limited work time on maintenance problems. While we have identified significant backlog expenditures, actual system backlog reduction needs to be determined through a review process similar to 1993-94.
- (4) Routine maintenance budget includes \$39.5 million for bridge maintenance.

- (5) Includes an additional \$20.0 million from Secondary Road Construction Funds to supplement secondary road maintenance and to make spot improvements on roads and bridges.
- (6) Unreserved credit balance designated by Highway Administrator to address backlog needs.
- A major concern is the amount of money chargeable to our maintenance budget from declared disasters which will not be reimbursed by FEMA. Prior to Hurricanes Bertha and Fran, the estimated amount is \$30 million which includes \$19 million from the January and February 1996 snow and ice storms. This does not include a portion of the cleanup from Hurricanes Fran and Bertha which the Department normally has to pay. This is expected to be an additional \$25 million.

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Minutes

March 27, 1997

8:00 A.M.

Room 1228 Legislative Building

The Joint Appropriations Subcommittee on Transportation met in room 1228 of the Legislative Building on March 27, 1997. The meeting was chaired by **Senator Charles Albertson** in Senator Jordan's absence. Four members of the Senate committee were present. The following members of the House committee attended:

Rep. Joanne Bowie

Rep. Jerry Dockham

Rep. Bobby Barbee

Rep. Dan Blue

Rep. Jim Gulley

Rep. Thomas Hardaway

Rep. Bill Hiatt

Rep. Mary McAllister

Rep. Drew Saunders

Rep. Ronnie Sutton

Senator Albertson opened the meeting and turned it over to Mr. Tony Goldman, staff, to begin the Expansion Budget review. Mr. Goldman introduced Mr. Cameron Lee, State Operations Engineer of the Department of Transportation. Mr. Lee handed out Facilities Management Capital Improvement Program, Requests for Fiscal year 1997-1998. Rep. Bowie wondered if all of the money for salt had been used. Mr. Lee said yes, and a shed had been built in Avery County which holds 750,000 pounds of salt. He said they have to build a storage facility in Rosmond.

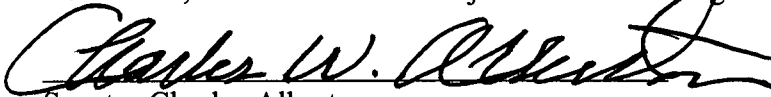
Senator Albertson asked if a town wants to extend a water line would Dot participate. Rep. Sutton said that it seems a lot of money for DMV and is that usual. Mr. Lee said the amount of money is usual and the funding usually is 1/3 DMV and 2/3 Division of Highways. In response to a question from Rep. Saunders, Mr. Lee said it is advantageous for DOT to be involved with water and sewers. In response to a question by Rep. Sutton, Mr. Lee said they are using metal buildings and it does save money. Mr. Lee said about \$15 million is needed this year for Capital Improvements. Last year they received \$1.9 million.

Ms. Ruth Sappie of DMV was introduced to discuss Welcome and Visitor Centers. She handed out a pamphlet, Special Report on North Carolina's Visitor Centers. The Visitor Centers are managed by private contractors. Ms. Sappie said personalized license plates cost extra. Of the cost, \$10 goes to DMV for their cost, 50% if the balance goes for beautification, 33% goes to Commerce and 17% to Human Resources for publication. The remaining funds go to the Visitor Centers. Their funding has substantially increased. In response to a question by Rep. Dan Blue, the popularity of the Wildflower program was discussed. Rep. Blue also wanted to know how many people were in the unit for specialized plates and would they be required if they weren't in the unit. Ms. Sappie said there are 16 people in the unit and they would be required personnel even if they weren't in the unit. Rep. Bowie wanted to know why we keep funding the Visitors Centers, the intent had been to give start up money. Ms. Sappie continued to discuss the special

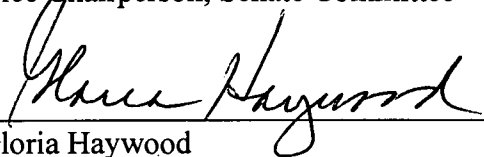
report on North Carolina's visitor centers. Rep. Sutton stated he agreed with Rep. Bowie that counties should fund their own Visitors' centers. Mr. Larry Goode stated that there was a previous agreement that if DOT built the centers, the counties would operate. Rep. Blue wondered if we could stop funding the centers. Sen. Albertson said that issued needed to be reviewed. Rep. Bowie said the committee never wanted to continue funding. Rep. Sutton would like for the funding to end. The committee was referred to pages 9 and 10 in the special report which gives the history of the funding. Senator Albertson said the state can be proud of the visitors' centers.

Mr. Goldman called Mr. Paul Roberts, MIS director at DOT to discuss the year 2000 computer conversion. Mr. Roberts estimates that they will need \$17million to access their systems. Rep. Saunders said the companies who sold the computer equipment and software should pay for conversions. In response to a question by Rep. Blue, the state will need an estimated \$300 million to begin the conversion process. Mr. Roberts continued, the STAR system is year 2000 compliant, as is the Digital Driver License system. Sen Albertson asked Mr. Roberts to return to a future meeting since we were out of time and there were questions for him. Mr. Roberts agreed

At 10A.M., Senator Albertson adjourned the meeting.



Senator Charles Albertson
Vice Chairperson, Senate Committee



Gloria Haywood
Senate Committee Clerk

JOINT APPROPRIATIONS

TRANSPORTATION SUBCOMMITTEE

March 27, 1997

Agenda

Expansion Budget Review

Tony Goldman, Staff

1. Capital Improvements

Cameron Lee
State Operations Engineer, DOT

2. Welcome Centers

Ruth Sappie
Legislative Liaison, DOT

3. Computer Systems Issues

Paul Roberts
MIS Director, DOT

- * Year 2000 Conversion
- * Support for Vehicle Registration System
- * Support for Driver License System
- * Computer Replacement
- * Collision Reports Reengineering
- * International Registration Plan

DEPARTMENT OF TRANSPORTATION
FACILITIES MANAGEMENT
CAPITAL IMPROVEMENT PROGRAM
REQUESTS FOR FISCAL YEAR 1997-1998

PROJ. NO.	LOCATION	EXISTING/PROPOSED BUILDING NAME	FY 97-98 REQUEST
1.	NEWTON	R.E.U. OFFICE/ ASSEMBLY & STORAGE FACILITY	434,000
2.	MARION	EQUIPMENT SHOP, CONST.	1,103,000
3.	RALEIGH	TRANSPORTATION BLDG. UPGRADE - CHILLER	469,000
4.	ASHEBORO	SITE PLANNING & UTILITIES CONST.	128,000
5.	ASHEBORO	EQUIPMENT SHOP, CONST.	1,024,000
6.	RALEIGH	CENTURY CENTER RENOVATION - ELECTRICAL	439,000
7.	FRANKLIN	MAINT. OFFICE/ ASSEMBLY	405,000
8.	MORGANTON	DMV - BLDG. RENOVATION & ADDITION	198,000
9.	LUMBERTON	RESIDENT ENGR'S. OFFICE, CONST.	294,000
10.	CHARLOTTE	DMV - BLDG. RENOVATION & ADDITION	262,000
11.	N.WILKESBORO	R.E.U./ ROAD OIL BUILDING	1,127,000
12.	CURRITUCK	LAND PURCHASE, 1.5 ACRES	84,000
13.	STATEWIDE	DMV - HVAC REPLACEMENTS	300,000
14.	STATEWIDE	DOH - WATER AND SEWAGE SYSTEMS	132,000
15.	RALEIGH	TRANSPORTATION BLDG. UPGRADE - PLUMBING	303,000
16.	STATEWIDE	DOH - MISC. (SMALL) OFFICE ADDITIONS	120,000
17.	RALEIGH	DMV - LIFE SAFETY UPGRADES	142,000
18.	STATEWIDE	DMV - WATER AND SEWAGE SYSTEMS	100,000
19.	STATEWIDE	WEIGH STATIONS - ELECTRICAL RENOVATIONS	100,000
20.	STATEWIDE	WEIGH STATIONS - HVAC RENOVATIONS	84,000
21.	STATEWIDE	DMV - PKG. LOT RENOVATIONS	185,000
22.	CARTHAGE	DIVISION TRAFFIC SERV. OFFICE/ SHOP/ WHSE., CONST.	1,355,000
23.	CARTHAGE	PESTICIDE STORAGE BLDG., CONST.	75,000
24.	STATEWIDE	SALT STORAGE FACILITIES	532,000
25.	HATTERAS N. DOCK	REPAIR/ SUPPLY FACILITY, CONST.	721,000
26.	N. WILKESBORO	DMV - BLDG. RENOVATION & ADDITION	198,000
27.	STATEWIDE	DMV - ROOF REPLACEMENTS	263,000
28.	STATEWIDE	DMV - EXTERIOR RENOVATIONS	238,000
29.	STATEWIDE	DMV - INTERIOR RENOVATIONS	182,000
30.	SANFORD	DMV - BLDG. RENOVATION & ADDITION	378,000
31.	GRAHAM	DMV - BLDG. RENOVATION & ADDITION	60,000
32.	RALEIGH	DMV - COMPUTER ROOM RENOVATION	99,000
33.	HAYESVILLE	LAND PURCHASE, 0.75 ACRE	100,000
34.	N.WILKESBORO	NEW DIVISION OFFICE, LAND PURCHASE & DES.	366,000
		TOTAL	12,000,000
N/A.	WILMINGTON	DIVISION COMPLEX REPLACEMENT (to be funded from receipts)	11,000,000

SPECIAL REPORT ON

NORTH CAROLINA'S

VISITOR CENTERS

PREPARED BY:

N.C. DEPARTMENT OF TRANSPORTATION

WITH ASSISTANCE FROM:

N. C. DEPARTMENT OF COMMERCE

DECEMBER 1996

EXECUTIVE SUMMARY

House Bill 53 of the 1996 General Assembly directed the Department of Transportation (NCDOT), with the assistance of the Department of Commerce (DOC), to conduct a comprehensive study of North Carolina's visitor centers on the State highway system. The three objectives of the study were: (1) to collect data to accurately estimate the extent and type of use of the centers, (2) to develop a formula for allocating State resources for funding, and (3) to recommend whether a local match of state funds for visitor centers should be required. The study was to be submitted to the Joint Legislative Transportation Oversight Committee by December 31, 1996.

The study was conducted by a team made up of representatives from both departments. The data necessary to complete the study was provided by the directors of each of the visitor centers.

FINDINGS AND RECOMMENDATIONS

- (1) Obtaining local funds to match State funds is within the means of each center.
- (2) No new visitor centers are needed. All major entrances to the State are presently served by either a welcome center or a visitor center.
- (3) Ownership of the building which houses the High Country Host Visitor Center should be transferred to them and State funding should be discontinued.
- (4) Visitor centers should be combined with the Welcome Center Program within the Department of Commerce. The combined program should be transferred to the Department of Transportation.

FUNDING OPTIONS

As directed by House Bill 53, the study identified several options for the continued allocation of State resources to visitor centers:

Option 1: The Special Registration Plate Fund allocation should be modified.

The new formula should be:

25%	Division of Motor Vehicles
20%	Visitor Center Funding
30%	Wildflower Program, DOT
16%	Travel and Tourism Division, DOC
9%	Department of Human Resources

In addition, it is recommended that visitor centers be required to obtain local funding sources to match State funds.

Option 2: Funding of visitor centers should be frozen at \$450,000 (\$75,000 for each of the remaining visitor centers). Beginning with the FY1998-99, a local funding match shall be required as a condition for receipt of State funds.

Option 3: Funding for the seven state visitor centers currently being funded from Registration Plate Fund should be discontinued beginning in FY 1999-2000.

INTRODUCTION

House Bill 53 of the 1996 General Assembly directed the Department of Transportation (NCDOT), with the assistance of the Department of Commerce (DOC), to conduct a comprehensive study of North Carolina's visitor centers on the state highway system. The three objectives of the study were: (1) to collect data to accurately estimate the extent and type of use of the centers, (2) to develop a formula for allocating state resources for funding, and (3) to recommend whether a local match of state funds for visitor centers should be required. The study was to be submitted to the Joint Legislative Transportation Oversight Committee by December 31, 1996.

To accomplish this directive, a team was formed of representatives from the NCDOT and the DOC. To obtain the necessary data to appropriately evaluate the visitor centers, the team enlisted the assistance of the directors of each of the centers. Each center currently collects most of the data needed to complete the study (albeit not always in the same form). The contribution of the center directors was commendable; they were responsive to the data needs of the study and generally supportive of the study process.

Once the majority of the data had been compiled, the team met to develop a strategy for evaluation of the wealth of material submitted. The information available lent itself to observations on five key areas. These were as follows:

- 1) Purpose and effectiveness of the centers
- 2) Funding source that does not compromise other programs
- 3) Establishing a fair criteria for encouraging local contribution to centers
- 4) Appropriateness of administrator of program, NCDOT or DOC
- 5) Need for future centers.

This report discusses the history of the visitor center program. It describes each of the facilities and their operations. It relays the mission of the centers as described by the directors of the centers. It compares the centers with an average Interstate welcome center. It discusses the current funding mechanism for the centers and the impact that it has had over the past several years on other state programs. It discusses the service areas of the centers and any deficiencies. Finally, the report states the findings of the study and presents a set of recommendations for the future of the visitor centers in North Carolina.

BACKGROUND

The following is a brief history of each of the nine visitor centers. The centers are listed in the order they were opened. The total state assistance each center has received is listed at the end of each section.

US 158 DARE COUNTY VISITOR INFORMATION CENTER

In 1983, prior to Roanoke Island's 400th celebration, several prominent Dare County citizens, including the local Board of Transportation member, requested that the Department of Transportation build a rest area and visitor information center in Kitty Hawk to serve visitors coming to that event. The Dare County Tourist Bureau hired an architect who designed the building and the Department of Transportation purchased the site and built the facility. Per the agreement, Dare County reimbursed the state for the cost of the visitor center building and agreed to staff and maintain it at no cost to the state. The Department maintains the rest area building and site.

The facility opened in the Summer of 1984 and is open seven days a week 8:30 A.M. - 6:30 P.M. from Memorial Day to Labor Day and 9:00 A.M. - 5:00 P.M. the rest of the year, with holidays at Thanksgiving, Christmas, and New Years Day. The Dare County Tourist Bureau is responsible for the operation of the visitor center which has a yearly operating budget of \$154,000. These funds are derived from a 1% meal tax and a 1% occupancy tax. No state funds are received.

The total state operating and capital assistance: \$0

US 321 WATAUGA COUNTY VISITOR INFORMATION CENTER

Upon learning of the Dare County Visitor Information Center, the North Carolina High Country Host, a multi-county tourist related organization, requested that the Department of Transportation build a visitor information center in the Boone area. Several existing buildings and sites were studied and a former bank facility in Boone on US 321 was chosen by the High Country Host in cooperation with the Department of Transportation. Through an agreement the Department purchased the building and site and renovated the building to better suit the visitor information center's needs. The High Country Host agreed to staff, operate, and maintain the facility at no cost to the Department. No rest area accompanies the visitor center; however, public restrooms are available within the building during the visitor center's operating hours. The visitor center opened in the fall of 1985 and its operating hours are seven days a week year round from 9:00 A.M. - 5:00 P.M. with holidays at Thanksgiving and Christmas.

The North Carolina High Country Host is a multi-county membership organization and operates the visitor center with a budget of \$376,000. A major portion of the center's revenues come from membership dues as well as \$75,000 from the Special Registration Plate Account. The state funding began with the FY1991-92 budget in the amount of \$25,000 and was requested by High Country Host to offset operating cost. It continued at

\$25,000 in FY1992-93 and then was raised to \$75,000 in FY1993-94. The center has received \$75,000 for each of the last three years.

The total state operating and capital assistance: \$350,000 plus the initial investment in the building and renovations.

US 17 CAMDEN COUNTY VISITOR INFORMATION CENTER

For a number of years, going back to the late 70's, a rest area/visitor information and interpretative center for the Dismal Swamp had been proposed as a joint venture by the Department of Transportation, the Department of Commerce, and the Division of Parks and Recreation in the Department of Environment, Health and Natural Resources. For several reasons, primarily funding, the Department of Commerce and state Parks were eventually not able to follow through with the concept. The Department of Transportation, recognizing the need for a rest area, continued with its plans for the US 17 site which is located adjacent to the Dismal Swamp Canal. Due to this location, the site is able to serve both boat traffic on the canal as well as vehicles on US 17.

The Albemarle Commission then came to the Department and requested the project be enlarged to include a visitor information center to help the local area attract tourism. Per an agreement, the Albemarle Commission agreed to staff and operate the visitor information center without cost to the Department.

The facility was opened in the Spring of 1989 and its operating hours are seven days per week 9:00 A.M. - 5:00 P.M. Memorial Day through October and five days per week the remaining part of the year. Until the Summer of 1996, the Albemarle Commission was responsible for operating the facility. At that time the Northeastern North Carolina Regional Economic Development Partnership took over responsibility for operating the center. The center's budget is \$75,000 per year, which comes totally from the state funds allocated to it from the Special Registration Plate Account. When the facility was opened in 1989, it was funded with a \$50,000 one-time grant from this account intended to allow the Albemarle Commission time to establish local and county funds to operate the center. At the end of the first year, local and county officials in the region served by the Commission refused to fund the center. Rather than allow the center to close, the legislature appropriated funding from the Special Registration Plate Account in the amount of \$50,000 for each of the first four years and \$75,000 for the last three years to keep the facility operating.

The total state operating and capital assistance: \$500,000 plus the cost to construct the building and monthly utility costs.

US 23/441 MACON COUNTY VISITOR INFORMATION CENTER

In 1987, representatives from the Smoky Mountain Host, a recently formed travel and tourism group in the southern North Carolina mountains, came to the Department of Transportation and requested the construction of a visitor information center in the area to promote travel and tourism on a regional basis in seven counties of western North Carolina

including the Cherokee Indian Reservation. The Smoky Mountain Host offered to donate to the project a twenty acre piece of property eight miles from the North Carolina state line on US 23/441 in Macon County. The property was studied and found to be suitable for a rest area/visitor information center site. The Department of Transportation did, however, have to purchase the property since the Smoky Mountain Host had only purchased an option on the land and did not own it outright. The visitor information center and rest area was opened in 1990 with the Smoky Mountain Host agreeing to staff and operate the visitor center and the Department of Transportation maintaining the rest area portion and site. The visitor center is open seven days a week from 9:00 A.M. - 5:00 P.M. year round.

During its first year of operation, the Smoky Mountain Host asked for, and received, operating funds from the Special Registration Plate Account in the amount of \$49,500. It received \$25,000 for each of the next two years and \$75,000 for each of the last three years. State revenues are used for personnel costs and office expenses. In FY1995-96, Smoky Mountain Host's operating budget was \$383,868. Additional funds are leveraged from membership investments, fluctuating between 240-260 members generating annual revenues of \$65,000 - \$75,000. Other revenue sources are reimbursements from the private sector for the costs of advertisements placed in national publications and grant funds from the state and federal governments. Since 1990, Smoky Mountain Host has received grants from the Tennessee Valley Authority, the Division of Travel and Tourism in the state Department of Commerce, the Great Smoky Mountains Natural History Association, and the state Department of Cultural Resources.

The total state operating and capital assistance: \$399,500 plus the cost to construct the facility and monthly utility costs.

US 17 BRUNSWICK COUNTY VISITOR INFORMATION CENTER

The Department of Transportation had an existing rest area on US 17 near Supply in Brunswick County. When US 17 was being relocated and the Shallotte Bypass was being constructed, a replacement facility was planned for the new highway. At that time, local tourist groups and Chambers of Commerce requested that a visitor information center be constructed near the North Carolina/South Carolina state line. After several studies, a site on the Shallotte Bypass at the US 17 and NC 130 intersection was chosen for both a visitor information center and rest area.

Southeastern Welcome Center, Incorporated was formed by the group that requested the visitor information center. This organization has the responsibility for staffing and operating the center. The center was opened in 1992 and operates seven days per week year round from 8:30 A.M. - 5:00 P.M. Its operating budget is presently \$75,000 which it receives from the state Special Registration Plate Account. In its first two years of operation, it received \$50,000 per year and has received \$75,000 for each of the last three years.

The total state operating and capital assistance: \$400,000 plus the cost to construct the building and monthly utility costs.

US 70 CARTERET COUNTY VISITOR INFORMATION CENTER

The Carteret County Tourism Development Bureau in Morehead City had for some time been located in a small building on US 70 within the city limits. In order to upgrade their visitor information services and provide restrooms, the Bureau requested that the Department of Transportation build a rest area/visitor information center in Morehead City. The project was investigated but no immediate action was taken. In 1992 the Department of Transportation was directed by a legislative mandate to build the facility.

The site chosen is directly adjacent to property owned by the Department of Environment, Health, and Natural Resources and part of the rest area's parking, driveways, and picnic facilities are located on that property by lease agreement. The facility opened in 1994 with the Carteret County Tourism Development Bureau responsible for the staffing, operation, and maintenance of the visitor information center building and the Department of Transportation maintaining the restrooms and site. The Bureau operates the facility seven days per week year round with basically a 9:00 A.M. - 5:00 P.M. weekday schedule and 10:00 A.M. - 5:00 P.M. on weekends. Their operating budget is \$900,000, which comes mainly from occupancy taxes and \$75,000 coming from the state Special Registration Plate Account. They have received this amount each year since fiscal year 1995-1996.

The total state operating and capital assistance: \$150,000 plus the cost to construct the building.

US 29 CASWELL COUNTY VISITOR INFORMATION CENTER

In 1992, Caswell County officials requested that the Department of Transportation build a rest area/visitor information center near the state line on US 29. This was to increase tourism in the Caswell County area and to serve visitors coming into the state from Virginia.

A site was picked at the intersection of US 29 and NC 700 that would serve both sides of the road. A water and sewer project connecting to Danville, Virginia was completed simultaneously with the building construction.

The facility was opened in the fall of 1994 with the Piedmont Triad Chambers Group responsible for staffing, operating, and maintaining the visitor information center building. The Department of Transportation is responsible for the rest area building and site. The visitor center is open seven days per week year round 8:30 A.M. - 5:00 P.M. Monday through Saturday and 10:00 A.M. - 5:00 P.M. on Sundays. It has an operating budget of \$75,000 which comes solely from the state Special Registration Plate Account. It has received this funding each fiscal year since the center opened.

The total state operating and capital assistance: \$250,000 plus the cost to construct the building.

US 64 TYRRELL COUNTY VISITOR INFORMATION CENTER

In late 1993, officials from Tyrrell County, the Conservation Fund, and the Town of Columbia proposed that the Department of Transportation build a rest area/visitor information center on US 64 in Columbia. The facility would serve motorists traveling on US 64 and the visitor information center would not only promote tourism in the county but also preserve part of Columbia's history. Part of the proposal was for the Department of Transportation to move and restore a historic house for use as the visitor information center. The Conservation Fund offered a lump sum donation toward moving the house, but when the Department of Transportation pursued receiving the donation, the funds were no longer available.

The rest area project was let to bid twice containing the restoration of the historic house. Both bids were considered unreasonably high. With no hope for better bids as long as the restoration work was involved, the Department developed plans for a new visitor information center building. The new rest area and visitor information center was opened on Columbus Day weekend 1995. The site is on the Scuppernong River and is adjacent to land owned by the United States Fish and Wildlife Service. An interpretative center is planned for this adjacent site and both facilities will share some parking. The Partnership for the Sounds, a non-profit organization with federal funding, is responsible for the staffing, operating, and maintenance of the visitor information center. Its offices are located within the visitor center building. Operating hours for the visitor information center are 8:00 A.M. - 5:00 P.M. Monday through Friday year round and 9:00 A.M. - 5:00 P.M. on Saturdays and Sundays from May 25th - October 13th. The operating budget for the visitor information center is \$75,000 which comes totally from the state Special Registration Plate Account.

The total state operating and capital assistance: \$150,000 plus the cost to construct the building and monthly utility costs.

US 221 MCDOWELL COUNTY VISITOR INFORMATION CENTER

During the widening of US 221 and the construction of the Marion Bypass, a rest area was planned to replace the old existing facility. Local Chamber of Commerce officials requested that the Chamber be allowed to construct and operate a visitor information center on the new rest area site. A site on the Marion Bypass was chosen at the SR 1195 interchange, which allows access from both directions.

The architect for the rest area collaborated with the architect for the Chamber's visitor information center building to design an integrated facility. It opened in 1995 with the McDowell County Chamber of Commerce operating the visitor center building and the Department of Transportation operating the rest area and site. The visitor center is open Monday through Saturday year round from 9:00 A.M. - 5:00 P.M. and on Sundays 1:00 P.M. - 5:00 P.M. from April through October. The operating budget is \$87,000 which comes totally from the Chamber's membership dues, local government appropriations, special fund raisers and volunteers. **No funds are received from state government.**

MISSION OF VISITOR CENTERS

The mission of the visitor centers is to encourage the visitor/traveler to leave the highway and tour North Carolina and to provide information on North Carolina whether it be for the immediate area served by the visitor center or for the entire state. Also, some (but not all) of the centers provide services to the traveler such as hotel/motel reservations, ferry reservations, aid in emergencies, and trip planning.

The Interstate Welcome Centers operate under the mission: to ultimately be North Carolina's ambassadors to the traveling public.

VISITATION

Each of the seven visitor centers monitor their traffic/visitation somewhat differently. Most of the centers use the same method of visitation as the North Carolina welcome centers: count the number of cars and multiply by 2.7. This is a nationally recognized formula. Please note the traffic counts for the visitor centers are for twenty-four hours, but the centers are only open for eight to ten hours a day (the rest areas are open 24 hours a day). Therefore these numbers are misleading. The traffic counts for the welcome centers are for the hours of operation only.

Those centers that do not have "traffic counters" try to monitor their traffic by actually counting those who come through their door and by using a registration book. These numbers are more accurate. They range from 70,000 to 90,000 visitors per year. The visitation reported at the centers using traffic counters ranged from 400,000 to 600,000.

Another measure of visitation or usage of visitor centers is the number of brochures distributed. A common factor for brochure distribution is that each visitor will generally take about three. For the centers that have actual visitation counts this correlation is accurate. If we use this method of estimating visitation for the other centers, then the visitor centers range from 30,000 to 90,000 visitors per year. Comparatively, the eight North Carolina welcome centers greeted over 8.7 million visitors during FY1995-96; ranging from 458,414 to 2,086,641 per center.

SERVICES

Most of the visitor centers and all of the welcome centers provide assistance in making hotel/motel reservations. Four of the seven visitor centers provide ferry reservations.

All visitor and welcome centers distribute a wide variety of brochures. They display and distribute everything from accommodations, attractions within the state, and materials such as the North Carolina Travel Guide and the Calendar of Events.

Some of the other services offered by visitor and welcome centers are:

- presentations to school and civic groups
- answer phone, mail and e-mail inquiries
- provide assistance with emergencies and car trouble
- aid in planning trips
- the coastal centers aid in hurricane evacuation

OTHER CENTERS

The results of a telephone survey indicated that at least 18 of the 30 Convention and Visitor Bureaus across the state and at least 24 of the 145 Chambers of Commerce have visitor centers that are funded from local or private revenue sources; they do not receive Department of Transportation funding. Some of their funding sources are:

- occupancy tax
- city/county appropriations
- membership dues
- funds from retail sales
- private funding

Since these facilities do not have rest areas associated with them, the primary difference between them and the Watauga County facility (High Country Host) is in state ownership of the building and the fact that the state pays part of the center's operating expenses.

FUNDING OF CENTERS

In 1984, the North Carolina Department of Transportation entered into an agreement with Dare County to develop a visitor center in Kitty Hawk. Since that time, eight other centers have been opened. In all but two of the agreements for these facilities, the NCDOT has committed to providing the building and upkeep of the structure and rest area facilities, and the sponsor organizations agreed to provide for the staffing and operation of the visitor centers. Until 1990, these centers operated without any operating assistance from the state. However, since 1990 the centers have requested and received higher levels of state assistance until reaching the current high of \$525,000 in FY1996-97. Currently, seven centers receive operating assistance. Two centers operate without any assistance from the Highway Fund.

For three of the seven centers, the state assistance of \$75,000 supplements the funding of the center and in the four others it is their sole source of revenue. Two centers, High Country Host and Smoky Mountain Host, operate as membership organizations. Another receives funding from the local occupancy tax. Most of the centers take advantage of volunteers for a portion of their activities (primarily for special events). At least one of the centers sells material to help supplement the funding of the center. The two centers that operate without state assistance from the Special Registration Plate Account are funded through local commerce and tourism organizations.

STATE FUNDING SOURCE

The 1967 General Assembly authorized the Division of Motor Vehicles to begin selling personalized registration plates for vehicles. The fees from the sale of these plates were deposited into the Personalized Registration Plate Fund and the revenue allocation formula, after deduction of administrative expenses, was 50% to the Department of Conservation and Development for the promotion of travel and industrial development through out-of-state advertising and 50% to the State Highway Commission for beautification of non-interstate highways.

In 1985, the General Assembly changed the allocation formula to the following:

- 50% to Department of Transportation
- 33% to Department of Commerce for advertising
- 17% to Department of Human Resources and Department of
Commerce for publishing Access North Carolina

In 1988, DOT was given statutory authority to deduct the cost of controlling traffic at special events up to \$100,000 from the Personalized Registration Plate Fund (this language was deleted in 1992). The 1989 General Assembly increased the fee for personalized plates by \$10 and deposited the additional revenues in the Natural Heritage Trust Fund (NHTF), which was created in 1987 and is a supplemental funding source for state agencies to acquire and protect important natural areas across the state. Between 1967 and 1990, the laws regarding personalized license plates were modified many times, with the end result

of fourteen separate statutes containing six different fee categories and four different fee dispositions.

In 1989, a performance audit was conducted by the State Auditor's Office of the special license plate accounts. It recommended the consolidation and simplification of the various statutes applicable to special license plates by providing for a single revenue account, a uniform fee amount, and a uniform distribution of special plate revenues. In response to the audit, the 1989 General Assembly created a legislative study committee, the Committee on License Plate Fees, to study the special license plate system. In the Committee's final report to the 1991 General Assembly, the recommendations of the State Auditor were incorporated and the Committee further recommended that "the General Assembly use the revenue derived from the additional fee charged for special registration plates only for purposes set forth in the statute." Statutory allocations were limited to:

- (1) operational costs of administering the Special License Unit of the Vehicle Registration Section,
- (2) up to \$100,000 for traffic control at major events,
- (3) the Natural Heritage Trust Fund (one-half of revenue remaining after costs),
- (4) the NCDOT for highway beautification along non-interstates,
- (5) the Department of Commerce for travel and tourism advertising, and
- (6) the Department of Human Resources for publication of a handicapped facilities guide to North Carolina's tourist attractions.

The 1991 General Assembly enacted the majority of the recommendations of the legislative study committee into law.

Also in 1991, the General Assembly approved the creation of collegiate plates and historical attraction plates. Revenues from these plates are deposited into a new account named the Collegiate and Cultural Attraction Plate Account (CCAPA) and a set amount per plate is distributed to the college or non-profit historical attraction for which the new plate was developed. Statutory language prohibits the Division of Motor Vehicles from developing a new plate until at least 300 applications for the plate are on file. There are currently 59 active classifications of special registration plates, and there are 40 colleges or non-profit organizations attempting to generate 300 applications in order to qualify for a new plate.

FY1989-90 was the first year funding was provided to visitor centers for operating assistance. The Albemarle Commission was allocated \$50,000 to operate the Dismal Swamp visitor center on US 17 in Camden County. The following year \$49,500 was given to the Smoky Mountain Host to operate the visitor center on US 441 in Macon County. In FY1991-92, two more centers were added to the account. In FY1993-94, the amount of assistance was increased to \$75,000 per center and one more center was added. In FY1995-96, two more centers were added bringing the total receiving state funds to seven centers. The total state assistance currently provided to visitor centers from the Special Registration Plate Account is \$525,000 per year (see Table 1).

**TABLE 1: HISTORY OF N.C. SPECIAL REGISTRATION PLATE REVENUES
AND DISTRIBUTION OF FUNDS**

State Fiscal Year	Net Revenues (*)	DMV Expenses GS 20-79.7 (c) (1)	Visitor Centers GS 20-79.7 (c) (2)	Sepecial Events (Deleted)	Dept. of Commerce GS 20-79.7 (c) (3) (a) (33%)	NCDOT Wildflower Program GS 20-79.7 (c) (3) (b) (50%)	Department of Human Resources GS 20-79.7 (c) (3) (c) (17%)
1983	468,993	234,459			117,267	117,267	
1984	748,879	336,287			206,296	206,296	
1985	970,843	268,959			350,942	350,942	
1986	1,237,886	281,438			365,628	478,224	50,000
1987	1,360,764	292,468			402,538	534,148	50,000
1988	1,715,868	551,730		31,435	517,998	566,351	192,560
1989	1,916,272	621,719		37,788	414,732	628,383	213,650
1990	1,958,499	555,181	50,000	64,050	425,458	644,634	219,176
1991	1,816,909	491,047	99,900	59,954	384,783	583,004	198,221
1992	1,797,718	543,352	150,000	91,288	334,316	506,539	172,223
1993	1,833,629	603,933	150,000		356,300	539,848	183,548
1994	1,945,938	589,198	325,000		340,474	515,870	175,396
1995	2,025,395	628,917	375,000		337,088	510,739	173,651
1996	2,192,743	656,058	525,000		333,856	505,843	171,986

As expected, revenues from special registration plates have grown steadily; however, the funds available for the highway beautification program have been decreasing from a high reached in fiscal year 1990. In that year, the Highway Beautification (Wildflower) Program received \$645,000. In 1996, the program received only \$506,000. In this same time frame the visitor center program has grown from \$50,000 to \$525,000. It is clear that as the cost of funding the visitor centers has increased, the funding for wildflowers has suffered.

The reason that visitor centers have prospered at the expense of the Wildflower Program is due to the funding formula currently used. The funding for both programs comes from the Special Registration Plate Account (SRPA). The SRPA is funded through a \$10 surcharge on all specialized plates. Any additional charges for the plate go to the Collegiate and Cultural Attractions Plate Account (CCAPA) or to the Natural Heritage Trust Fund (NHTF). Figure 1 shows the distribution of revenues collected from special plates. Table 2 shows the types of plates available and the fee distribution.

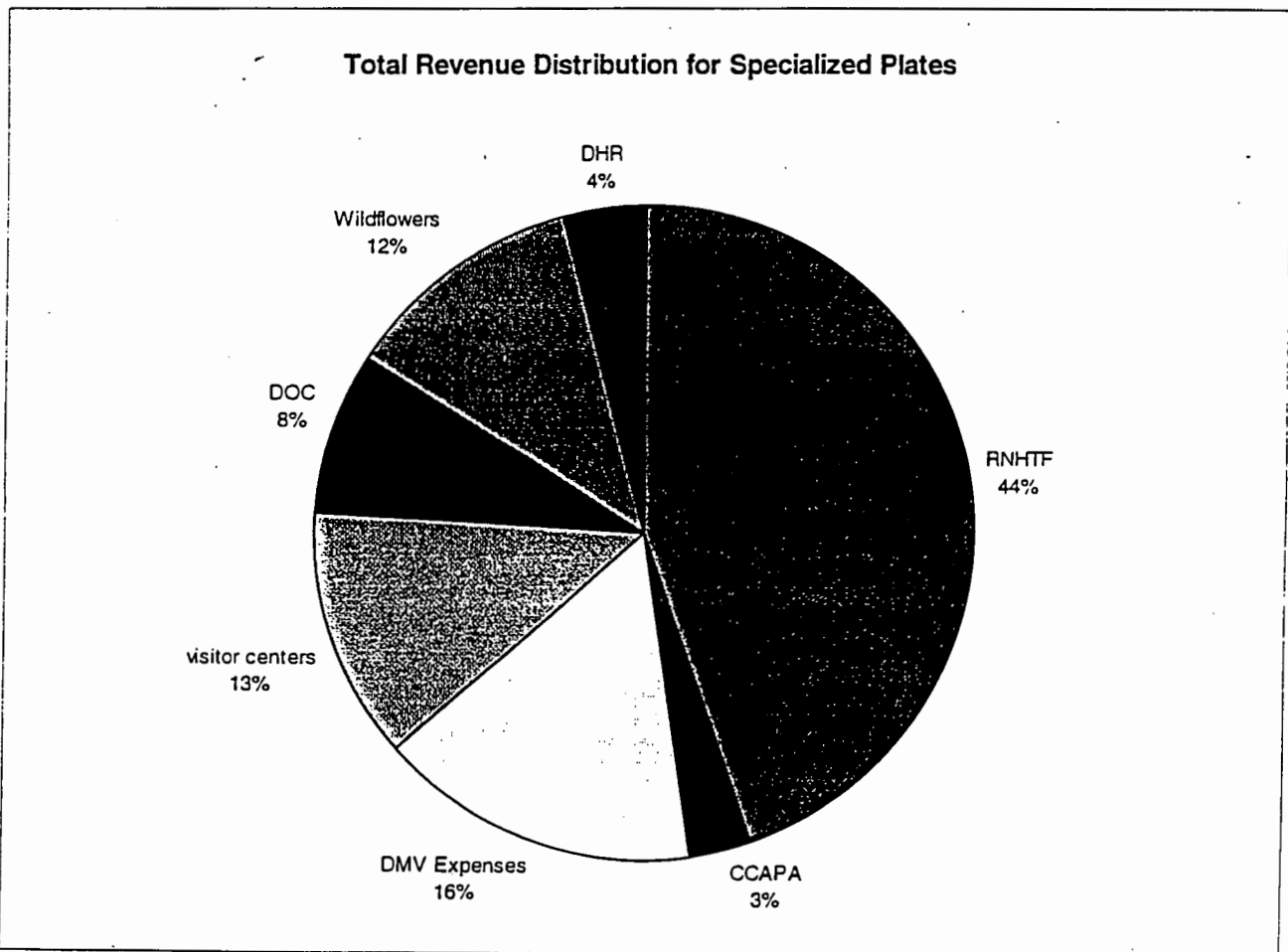


Figure 1.

RNHTF	Recreation and Natural Heritage Trust Fund
DHR	Department of Human Resources
CCAPA	Collegiate and Cultural Attractions Plate Account
DMV	Department of Motor Vehicles
DOC	Department of Commerce

Table 2: For each of the special plates the following additional fees are collected accordingly:

<u>Special Plate</u>	<u>SRPA</u>	<u>CCAPA</u>	<u>NHTF</u>
Historical Attraction	\$10	\$20	\$0
In-State Collegiate Insignia	\$10	\$15	\$0
Out-of-state Collegiate Insignia	\$10	\$0	\$15
Personalized	\$10	\$0	\$10
Special Olympics	\$10	\$15	\$0
Olympic Games	\$10	\$15	\$0
State Attraction	\$10	\$20	\$0
Wildlife Resources	\$10	\$10	\$0
All Other Special Plates	\$10	\$0	\$0

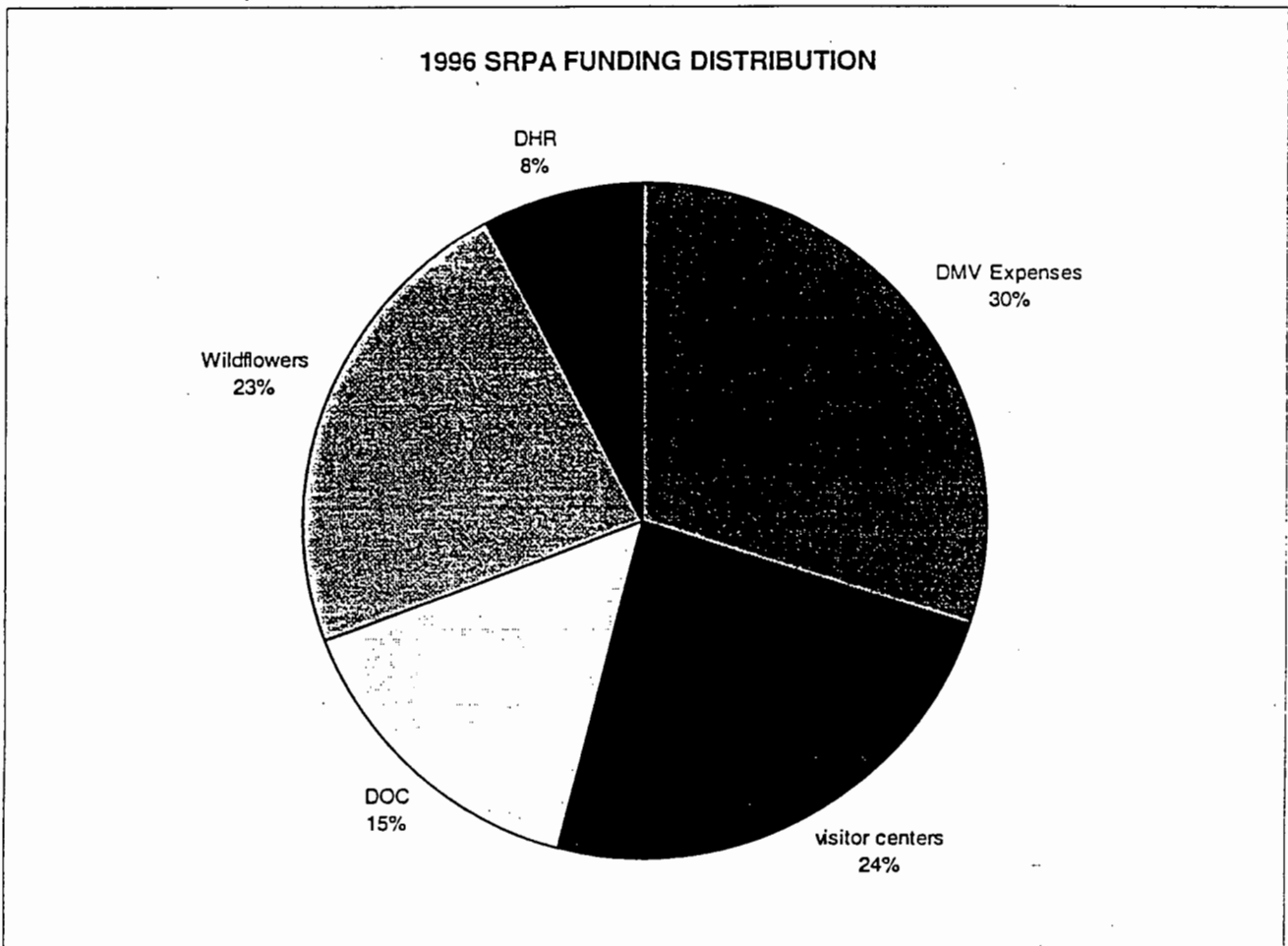


Figure 2.

Figure 2 illustrates how the revenues from the SRPA are currently divided. Table 1 depicts how these revenues have been distributed since the inception of the Personalized Registration Plate Fund. The administration costs of the issuance of special license plates and the funding for visitor centers are deducted from the SRPA. The CCAPA and the NHTF do not share in the deduction of administrative expenses. The remaining revenue is distributed as follows: Thirty-three percent (33%) to the Department of Commerce to aid in financing out-of-state print and other media advertising for the promotion of travel and industrial development; fifty percent (50%) to the Department of Transportation to be used solely for the purpose of beautification of highways other than those designated as interstate; and seventeen percent (17%) to the Department of Human Resources to promote travel accessibility for disabled persons. By use of this funding instrument, any increase in funding to the visitor centers is done at the expense of the other three programs funded from the SRPA. As evidenced by Table 1, while total revenue in the SRPA has increased since 1990, the amount of funding for the highway beautification and state promotion programs has decreased.

VISITOR CENTER BUDGETS

As discussed earlier, several of the visitor centers merely supplement their annual budgets with the state assistance while others exist entirely on those funds. Table 3 shows the date the centers opened and when the centers began receiving state assistance. Please note that all of the centers currently receiving state assistance were constructed or purchased by the Department of Transportation using highway funds (the two independent centers funded the construction of their facilities).

Table 3 Visitor Center	Sponsor	Date of Agreement	Year Opened	First Year of Assistance
In Boone in Watauga County	High Country Host	1984	1985	1991-92
US 17 in Camden County	Albemarle Commission	1988	1989	1989-90
US 441 in Macon County	Smoky Mountain Host	1988	1990	1990-91
US 17 in Brunswick County	Southeastern Welcome Center	1990	1992	1991-92
US 70 in Carteret County	Carteret Tourism Development Bureau	1993	1994	1995-96
US 29 in Caswell County	Piedmont Triad Chambers Group	1994	1994	1993-94
US 64 in Tyrrell County	Partnership for the Sounds	1993	1995	1995-96

Table 4 shows the annual budgets for each of the centers. Three of the centers operate on large budgets, while four centers rely entirely on the SRPA funds. All of the centers were constructed on the pretense that the local sponsors of the centers would fund their operation.

Table 4 Visitor Center	Funding Source	Amount
High Country Host in Boone	SRPA	\$75,000
	Member Investment	\$125,000
	Grant Funding	\$67,000
	Member Advertising	\$102,000
	Other	\$7,000
Dismal Swamp on US 17 in Camden County	SRPA	\$75,000
Smoky Mountain Host on US 441 in Macon County	SRPA	\$ 75,000
	Membership	\$ 70,000
	Advertising	\$148,000
	Grants	\$ 90,000
Southeastern Welcome Center on US 17 in Brunswick County	SRPA	\$75,000
Tyrrell County on US 64	SRPA	\$75,000
Carteret County on US 70	SRPA	\$75,000
	Occupancy Tax	\$825,000
Piedmont Triad on US 29 in Caswell County	SRPA	\$75,000
Dare County	SRPA	\$0
	1% occupancy &	\$154,000
	1% meals tax	
McDowell County	SRPA	\$0
	Chamber of Commerce	\$87,000

SRPA - Special Registration Plate Account

OPERATING EXPENSES AND AGREEMENTS

For each of the seven centers receiving operating assistance from the Highway Fund, all were constructed under similar agreements. The following are the terms of the agreements that were common to all of the centers:

1. The Department of Transportation would construct the facilities (purchase and remodel in the case of the Boone center)
2. The Department would retain ownership of the building
3. The sponsor of the center would not pay rent for use of the facility
4. The sponsor would be responsible for the furnishing of the center
5. The center would operate according to the Federal-Aid Highway Program Manual Transmittal 371 dated March 15, 1984, Volume 6, Chapter 2, Section 5, Subsection 1 as it applies to operation and information displayed within the center. This document states that pamphlets must be limited to matters relating to and of interest to the traveling public; no charge to the public may be made for goods or services; and the Department may terminate the agreement for violation of the terms of the agreement.

Please note that some of these terms may be in violation at several of the centers. Additionally, the recent legislation allowing real estate information to be displayed in the centers seems to be in conflict with these federal regulations.

In addition to these commonalities, each center has signed an individual agreement with regard to responsibility for building maintenance and utilities. The following is a synopsis of each center's agreements.

VISITOR CENTER MAINTENANCE AND UTILITY RESPONSIBILITIES

1. Watauga County - High County Host is responsible for all building and site maintenance and all utilities (no rest area on site).
2. Camden County - Northeastern North Carolina Regional Economic Development Partnership is responsible for interior furnishings and maintenance, as well as telephone service of visitor center.
- Department of Transportation is responsible for all other utilities and maintenance of restrooms and site.
3. Macon County - Smoky Mountain Host is currently responsible for interior furnishings and maintenance as well as telephone service of visitor center. (The signed agreement is for Smoky Mountain

Host to be responsible for gas and electricity of visitor center building also.)

- Department of Transportation is currently responsible for all gas, electricity, water, and sewer for the total facility, as well as restroom and exterior building maintenance.
- 4. Brunswick County
 - Southeastern Welcome Center, Incorporated is responsible for interior furnishings and maintenance, as well as telephone service for visitor center.
 - Department of Transportation is responsible for all electricity, water, and sewer for the total facility, as well as restroom and exterior building maintenance.
- 5. Carteret County
 - Carteret County Tourism Development Bureau is responsible for all interior furnishings and maintenance. Bureau is responsible for visitor center building repairs of up to \$500 per item as well as all visitor center utilities except water and sewer.
 - Department of Transportation is responsible for visitor center building repairs over \$500 per item, water and sewer for entire site, as well as maintenance and utilities for restroom building and grounds.
- 6. Caswell County
 - Piedmont Triad Chambers Group, Incorporated is responsible for all interior furnishings and maintenance. Chamber Group is responsible for visitor center building repairs of up to \$500 per item as well as all visitor center utilities except water and sewer.
 - Department of Transportation is responsible for visitor center building repairs over \$500 per item, water and sewer for entire site, as well as maintenance and utilities for restroom building and grounds.
- 7. Tyrrell County
 - Tyrrell County and the Partnership for the Sounds is responsible for all interior furnishings and maintenance. Partnership is currently responsible for visitor center building repairs of up to \$500.00 per item as well as telephone service. (Signed agreement is for Partnership to be responsible for visitor center electrical service also.)
 - Department of Transportation is responsible for visitor center building repairs over \$500 as well as currently all facility maintenance and utilities (electricity, water and sewer) except visitor center telephone service.

8. Dare County

- Dare County Tourism Development Bureau is totally responsible for visitor center buildings repairs, maintenance, and utilities with the exception of water and sewer. (Dare County reimbursed the state for visitor center building cost.)
- Department of Transportation is responsible for all utilities and maintenance of restroom building and site as well as water and sewer service to visitor center building.

9. McDowell County

- McDowell County Chamber of Commerce is totally responsible for the visitor center building's maintenance, repairs, and utilities with the exception of water and sewer. (Chamber let to contract and paid for construction of visitor center building.)
- Department of Transportation is responsible for all utilities and maintenance of restroom building and site as well as water and sewer service to visitor center building.

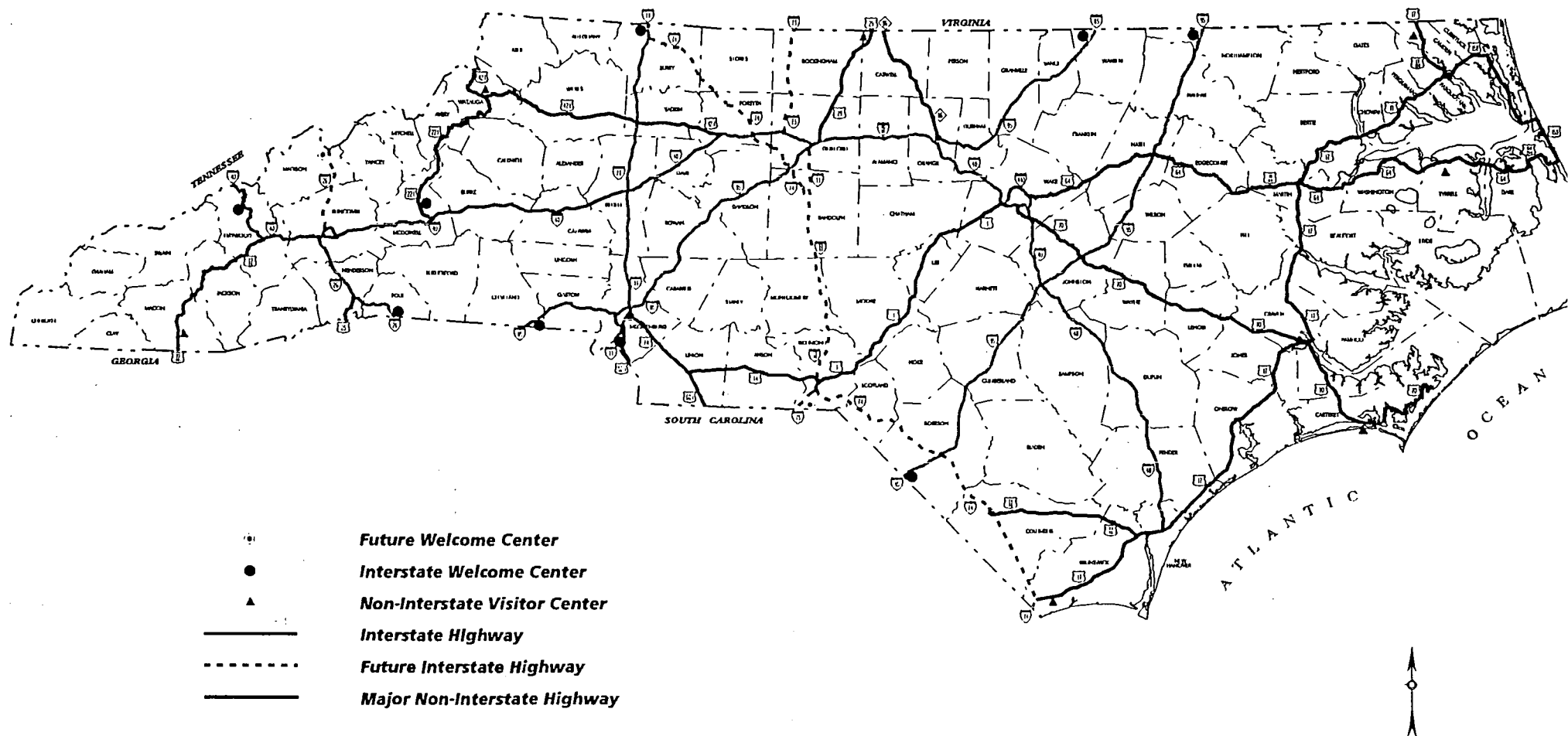
SERVICE AREAS OF VISITOR CENTERS AND WELCOME CENTERS

As defined earlier in the study, visitor centers and welcome centers have similar missions: to promote North Carolina and increase tourism in the state. The population targeted for this promotion are the visitors to our state. Therefore, it is imperative that we locate these centers on highways where visitors are most likely to travel. The most practical method of doing this is placing the centers at major border crossings.

All of the interstate crossings are major tourist thoroughfares, and there are welcome centers at each of these crossings. There are, however, other major entrances to the state. These crossings are generally served by a visitor center. Figure 3 shows all of the roads coming into North Carolina that have over 6000 vehicle per day (vpd) average traffic count. The majority of these routes are served by visitor centers. The few exceptions are highways that are close in location to another route that is already served by a center. Additionally, with the construction of I-73/74 and the completion of I-26 into Tennessee, we will potentially have three additional welcome centers. Once these are in place, the entire state will be covered sufficiently with tourist information centers. Therefore, there does not appear to be a need for additional visitor centers.

EFFECTIVENESS OF THE CENTERS

Figure 3 shows that North Carolina has several visitor centers located in areas that do not serve out-of-state traffic. Those centers are the Morehead City facility on US 70, the High Country Host facility in Boone, and the Tyrrell County facility on US 64 in Columbia. The US 64 facility does, however, tend to serve an intrastate traveler and serves as a gateway to the Outer Banks. The US 70 facility in Morehead City is located at a destination point and tends to serve the Morehead City area exclusively. The High Country Host facility is essentially a regional chamber of commerce. The majority of its time and resources go toward promoting the six member counties through advertising services. The High Country Host does not operate as a visitor center in the sense that it does not focus on the walk-in traveling public. The locations of the High Country Host and the Morehead City facilities do not lend themselves to be true visitor centers as defined earlier.



FINDINGS AND RECOMMENDATIONS

After careful review of the funding for each of the centers and the present or potential non-state funding sources, this study has concluded that a local match is within the means for each of the centers. (See the attached listing.) All but one of the centers currently receiving state funds are sponsored by and/or represent a multi-county area as well as various non-profit organizations such as chambers of commerce and economic development groups. The only center not regionally-sponsored is the Carteret County facility. The Carteret County Tourist Development Bureau, a semi-county agency, is responsible for the visitor center operations and has offices in the center. They receive the other \$825,000 of their budget from occupancy taxes in Carteret County.

The driving factor behind any Department of Transportation-financed facility should be service to the traveling public. On the highway system, service to the traveling public is accomplished through the Department's highway rest area program. Visitor information was added to the rest area program upon the request of local officials as a secondary service for the public's convenience. The High Country Host visitor center is not associated with a rest area located along a state highway.

RECOMMENDATION: The Department of Transportation should transfer ownership of the facility used by High Country Host to them and the state should discontinue its funding.

The funding currently being given to the visitor centers is designated as operating funds and utilities are generally considered to be part of business operating costs. All of the facilities receive the same amount of state funding and should be treated equally. At the present time, three of the seven centers receiving state operating assistance pay utility costs from this source per their agreement with the Department of Transportation. The other four centers, those in Camden, Brunswick, Macon and Tyrrell counties, do not. The Department of Transportation funds their utility costs from its general maintenance budget. The Department of Commerce is responsible for all phone, electricity and heating costs for all their welcome center buildings.

RECOMMENDATION: The current agreements for the Brunswick, Macon, Tyrrell and Camden centers regarding payment of utility costs should be revised to match the Carteret and Caswell centers so that all centers are treated equally. It is further recommended that these terms be adhered to before any funding is allocated, since several facilities are currently not abiding by their agreements.

As noted in the previous section, all of the major entrances to the state have either a welcome center or a visitor center located along the route. With the several new welcome centers scheduled to be added when interstates I-26, I-73, and I-74 are completed, the state will be more than covered with an adequate number of welcome/visitor centers.

RECOMMENDATION: No new visitor centers should be added to the state system.

The eight state welcome centers and six of the seven visitor centers in this report perform similar functions: both promote and enhance the state's tourism industry through service to the traveling public. It is recommended that these six visitor centers (US 17 in Camden County, US 441 in Macon County, US 17 in Brunswick County, US 70 in Carteret County, US 29 in Caswell County and US 64 in Tyrrell County) be placed under the oversight of the Welcome Center Program and that this combined program be transferred to the Department of Transportation. The Department shall establish rules and regulations applicable to all visitor centers and shall enter into agreements with the local governing boards of the visitor centers that incorporate these regulations. The regulations shall take into account the differences between the visitor centers and welcome centers, but shall be similar in regards to services, publications, and basic operational policies.

RECOMMENDATION: The visitor centers should be combined with the Welcome Center Program, and both should be placed within the Department of Transportation.

FUNDING ALLOCATION OPTIONS

OPTION I: The Special Registration Plate Account allocation formula should be modified. Using total revenue collections as the base, the new formula should be changed to:

25%	Division of Motor Vehicles, Department of Transportation
20%	Visitor Center Funding, Department of Transportation
30%	Wildflower Program, Department of Transportation
16%	Travel and Tourism Division, Department of Commerce
9%	Department of Human Resources

The current funding allocation subtracts the expenses of the Division of Motor Vehicle's Special License Unit and the \$525,000 for the seven visitor centers before the funding percentages for the other agencies are applied. The new funding allocation would accomplish the following changes:

- (1) Require the Division of Motor Vehicles to limit the growth in their expenses to the annual growth in fund revenues. The current DMV expenses shown for administration of the special plates is around 30%; however, the new computerized system should help reduce administrative costs over the long term.
- (2) Allow total visitor center funding to grow at the same rate as annual revenues.
- (3) Maintain funding for other state agencies at approximately the same amount as under the current allocation, as well as restoring some lost revenue to the Wildflower Program in the Department of Transportation.

It is further recommended that the visitor centers be required to obtain local funding sources as a prerequisite to continued state funding. The current FY1996-97 visitor center appropriation of \$525,000 annually should be frozen at the reduced amount of \$450,000 for the next two fiscal years. For those years, any additional funds received due to annual growth shall be retained by the Welcome Center Program within the Department of Transportation to defray the costs of administration of the new combined welcome center/visitor center program. Beginning in fiscal year 1999-00, the amount in excess of \$450,000 will be placed into an account to be allocated with equal availability to those centers who obtain local matching funds in excess of the required amounts shown below.

FY 1999-00	\$ 7,500	FY 2002-03	\$30,000
FY 2000-01	\$15,000	FY 2003-04	\$37,500
FY 2001-02	\$22,500		

Beginning with FY1999-00, individual centers will continue to receive \$75,000 annually only if additional local funding sources are obtained according to the previous schedule.

OPTION II: Funding of visitor centers should be frozen at \$450,000 (\$75,000 per each of the six remaining centers). Beginning with the 1998-99 fiscal year, a local funding match shall be required as a condition of continued state funding.

This option assumes that current visitor center funding from the Special Registration Plate Account will remain at current levels through the 1997-98 fiscal year. Beginning with FY 1998-99, a local funding match will be required as a prerequisite to receipt of state funding. Individual centers will continue to receive \$75,000 annually only if local funding sources are obtained according to the following schedule:

FY 1998-99	\$ 7,500	10% match
FY 1999-00	\$15,000	20% match
FY 2000-01	\$22,500	30% match
FY 2001-02	\$30,000	40% match
FY 2002-03	\$37,500	50% match

OPTION III: Funding for the seven state visitor centers currently funded from the Special Registration Plate Fund should be discontinued beginning in FY2002-2003.

Visitor centers promote the state's tourism attractions and support North Carolina's tourism industry. State support for the tourism industry has traditionally come from the General Fund through programs housed in the North Carolina Department of Commerce. The Department of Transportation's Personalized Registration Plate Fund was originally established to support the Department's wildflower program and the Department of Commerce's out-of-state advertising activities. Prior to the commencement of operations, all seven visitor centers signed a Memorandum of Agreement with the NCDOT agreeing that local sponsor organizations would be responsible for operational funding. These agreements have not been honored.

It is recommended that funding from the Special Registration Plate Account for the seven visitor centers be discontinued and that the funds be redirected to provide additional support for the Department's Wildflower Program, to the Department of Commerce, and to the Department of Human Resources. It is proposed that the current funding level of \$75,000 annually for each visitor center be phased out gradually over the next five fiscal years. It is the conclusion of this study that it is within the means of each visitor center to obtain local sources of funding to continue their operations.

LIST OF VISITOR CENTER SPONSOR GROUPS

DARE COUNTY: Dare County Tourist Bureau; Board of Directors overseen by County Commissioners

WATAUGA COUNTY: High Country Host; Membership Chambers of Commerce are: Alleghany, Ashe, Avery, Banner Elk, Beech Mountain, Blowing Rock, Boone Area, Mitchell, and the Wilkes County Chamber

CAMDEN COUNTY: Northeastern North Carolina Regional Economic Development Partnership; Counties represented are: Gates, Chowan, Pasquotank, Perquimans, Camden, Currituck, Dare, Northampton, Halifax, Hertford, Bertie, Martin, Beaufort, Washington, Tyrrell and Hyde

MACON COUNTY: Smoky Mountain Host; Haywood, Jackson, Swain, Macon, Graham, Clay, and Cherokee counties; the Cherokee Indian Reservation

BRUNSWICK COUNTY: Southeastern Welcome Center, Incorporated; Chambers of Commerce represented are: Southport-Oak Island Chamber, South Brunswick Island Chamber, Cape Fear Coast Convention and Visitor Bureau, and The Greater Wilmington Chamber of Commerce

CARTERET COUNTY: Carteret County Tourism Development Bureau; Semi-County Agency

CASWELL COUNTY: Piedmont Triad Chambers Group, Incorporated; Chambers of Commerce represented are: Alamance County, Caswell County, Thomasville, Lexington, Davie County, Winston-Salem, Kernersville, High Point, Greensboro, Archdale-Trinity, Asheboro/Randolph, Reidsville, Eden, Western Rockingham, King, and Mount Airy, as well as the Montgomery Economic Development Corporation, Yadkin County Commerce Program, the Piedmont Triad Partnership, the Northwest Piedmont Council of Governments and the Piedmont Triad Council of Governments.

TYRRELL COUNTY: Partnership for the Sounds; Counties represented are: Bertie, Martin, Beaufort, Washington, Hyde, Tyrrell, and Dare Counties

MCDOWELL COUNTY: McDowell County Chamber of Commerce

BROCHURE POLICY

1. Any NC tourist attraction or tourism-related business is permitted to place its brochures, signs, and posters in any NC Welcome Center only after approval by the Welcome Center Director. The requesting agency is to send one example of the above to: Welcome Center Director, 301 N. Wilmington St., Raleigh, 27601. Once approval has been given, a Welcome Center address list will be forwarded to the agency.
2. All material distributed through Welcome Centers will be provided free of charge to visitors. Printing and delivery charges are the responsibility of the organization providing the literature.
4. The Welcome Centers will give priority to display and distribute the following types of brochures:
 - State of NC publications that are travel-related.
 - Accommodations-- hotels, motels, inns, bed and breakfast, ranches, etc.
 - Attractions-- Tweetsie Railroad, Hom in the West, Carowinds.
 - Special events and festivals-- State Fair, Hang-Gliding Championships, etc.
 - Chamber of Commerce brochures-- dealing with tourist-related organizations.
5. The Welcome Centers will not display but will distribute any literature as described below:
 - Accommodations that are restricted or require a deposit or several nights commitment
 - Vacation Rentals
 - Outlets, Shopping Centers, Stores
 - Private Camps
 - Schools, Universities
 - Craft Shops (unless 95% are NC crafts)
 - Restaurants
 - Literature which appears to be mainly commercial or non-tourist oriented.
6. The Welcome Centers will **not** distribute any literature as described below:
 - Literature containing religious or political propaganda.
 - Literature promoting the sale of sponsorships, memberships, and other items/goods such as T-shirts, mugs, tapes, etc.
 - Literature rating travel attractions, events and/or accommodations.
 - Literature advertising non-NC attractions, events, or facilities. We may display accommodations directories. (i.e., Holiday Inn Directory, Red Roof Inn Directory, etc.)
 - Literature promoting the sale of liquor, wine, tobacco, firearms, any form of gambling, beach bingo, etc. We may display winery brochures.
 - Literature promoting craft shops with less than 95% of merchandise made in NC.
 - Literature containing advertising that has been sold on the basis it would be displayed or distributed through the centers without permission of the Welcome Center Director. Publications should contact the Welcome Center Director prior to selling advertising and present the content, design, distribution, etc. of the publication.
 - **Literature devoted exclusively to the advertisement of real estate.**
 - Literature representing a property which has changed names since the brochure was originally printed and approved.
 - Literature containing coupons with a special rate or discount but has no expiration date.
 - Literature promoting a time-share of membership establishment which does not rent to the traveling public or offers a gift or discount in exchange for attendance at a sales presentation.
 - Literature promoting a property which has not yet opened to the public. We will display brochures concerning events which are scheduled for the future.
 - Mail order brochures and/or literature.

***All brochures should fit into a 9 1/2" x 4 1/4" envelope. Magazines and other publications that are too large for the racks are displayed on table tops at the discretion of the Welcome Center Director.

3-27-97

Date _____

VISITORS: Please sign below and return to Committee Clerk

FIRM or AGENCY and ADDRESS

W L McBride	NETA
C. A. GARDNER	NCDOT
W.D. Johnson	NCDOT
PAUL ROBERTS	NCDOT
Myrle Benton	NCDOT
Dwaine Smith	NCDOT
Odele Mathis	SCENIC NC
Cathleen Gammann	NCDOT
Mal King	Keane, Inc.
Jim Snakenberg	NCDOT
Milton G. Wells	OSBM
Wayne Stallings	NCDOT
Danny Rogers	NCDOT
Charlie Barber	CAPA
Jerry Arrowood	NC DMV
Chuck Brownfield	DEAN R
Ruth Sappire	NCDOT

JOINT APPROPRIATIONS

TRANSPORTATION SUBCOMMITTEE

April 1, 1997

Agenda

Expansion Budget Review

Karl Knapp, Staff

1. Mass Transit

David King
Deputy Sec. for Transit, Rail & Aviation

2. Computer Systems Issues

Paul Roberts
MIS Director, DOT

- * Support for Vehicle Registration System
- * Support for Driver License System
- * Computer Replacement
- * Collision Reports Reengineering
- * International Registration Plan

**THE JOINT LEGISLATIVE
APPROPRIATIONS
TRANSPORTATION COMMITTEE**

APRIL 1, 1997

8:30 A.M.

ROOM 1327

The House Committee on Appropriations/Sub-Transportation Committee met in Room 1327 at 8:30 A.M. on Tuesday, April 1, 1997. **Co-Chairman W. Edwin McMahan** called the meeting to order. Visitor's Sheet attached.

Members Present:

Rep. Joanne Bowie, Co-Chair
Rep. Jerry Dockham, Co-Chair
Rep. Ed McMahan, Co-Chair
Rep. Thomas Hardaway
Rep. Bill Hiatt

Rep. Jim Gulley
Rep. Mary McAllister
Rep. Drew Saunders
Rep. Ronnie Sutton

Five Senators

Chairman McMahan recognized **Mr. Karl Knapp, Staff to the Committee**, to give the Committee an overview of the continuation of the expansion budget review. Mr. Knapp told the Committee that the Governor is requesting appropriated resources of \$26 Million for mass transit. This money is coming from two sources, the first being General Highway Fund revenue availability in the amount of \$13.4 Million in the first year and 12.6 Million in the second year. The other half of the \$26 Million would come from the elimination of a transfer from the Highway Fund to the General Fund. Mr. Knapp also told the Committee that the Governor proposed taking \$10 Million from federal funding and allocating it for mass transit. The federal program this is allocated to come from is the Congestion Mitigation and Air Quality Fund.

Mr. Knapp introduced **Mr. David King, Deputy Secretary, Department of Transportation**, to give the Committee a general overview of mass transit. Mr. King pointed out that the funding request is a product of the Governor's Transit 2001 Commission, and the \$36 Million requested is about half of what the Commission felt was needed. He pointed out the difference between public transit programs which are the responsibility of local governments, even though State government makes funds available to these programs, versus the rail program which connects several parts of the State, and therefore is a State responsibility.

Mr. King introduced **Mr. Sanford Cross, Director of Public Transportation Program**, to speak to the Committee on Transit 2001 Funding on Public Transportation. Mr. Cross

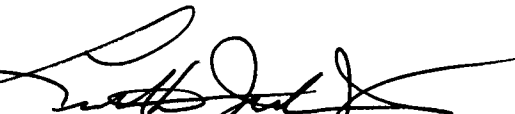
pointed out to the Committee that of the \$36 Million allocated, \$18 Million will be for public transportation and \$18 Million will be for rail. He addressed the Committee on the issues of Rural and Small Urban Transportation and Rural and Regional Transit (*See Attachment I, "Transit 2001 Public Transportation Funding Summary"*). In answer to the Committee's questions, Mr. Knapp pointed out to the Committee that none of the funds mentioned by Mr. Cross represented funds from the Continuation Budget, and that money used from the Expansion Budget is at the discretion of the General Assembly. Mr. King was recognized to give a brief explanation on how the "Work First" program was working with regard to the transportation issue. Discussion followed by the Committee.

Mr. David King introduced **Mr. Allan Paul, Rail Operations, Department of Transportation**, to explain to the Committee the role of the rail operations. Mr. Paul thanked the Committee for their complimentary comments on the Volunteer Train Host Program. He explained the funding for Stations, Infrastructure, Equipment, and Planning (*See Attachment II, Transit 2001 Intercity Rail Improvements*). Mr. Paul told the Committee that the recommendations have come from the N. C. Rail Council, which is a seventeen member board, and the Transit 2001 Commission. He also advised the Committee that prisoners are used to perform some of the work on the rail system. In answer to the Committee's questions concerning inner city rail, Mr. Paul said that the stations currently receive up to \$5 Million a year from the Highway Trust Fund. He pointed out that the station qualified for the funds if it had existing Amtrak passenger service. In answer to the question of who typically uses the rail program, Mr. Paul replied that families are the largest customers, followed by senior citizens, and then college students. He further explained that North Carolina has two major railroads, Norfolk Southern Corporation and CSX, and we operate our passenger trains over those railroads by an act of U. S. Congress that created Amtrak. Also, the State of North Carolina owns 75% of The North Carolina Railroad Company. Discussion followed by the Committee.

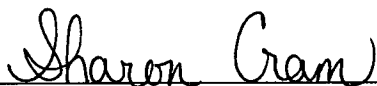
The meeting adjourned at 9:50 A.M.



Representative W. Edwin McMahan
Co-Chair



Senator Luther Jordan, Jr.
Co-Chair



Sharon Cram
Committee Clerk

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Sub-Committee Transportation
Name of Committee

4-1-97
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

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Milton D. Alfred	OSBM
Harry Brown	CCNC
Mac Berkey	NC Aggregates Assoc
Wayne Stallings	WCDOT
Jeremy Hall	GWS
Mercilee Benton	DOT
Hoyce Brown	DWTH OF CHAPEL HILL
Ode M. Paul	SCENIC NC
VL McBride	NCRA
CL Brownfield	DEHWR
MT Burnett	GACPD - DOA
Ruth Sappie	NC DOT
Nadine Hopkins	Charlotte Chamber
Ol. G. G. G.	Triangle Transit

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Sub-Committee Transportation

Name of Committee

Date

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NAME

FIRM OR AGENCY AND ADDRESS

Andy Romanick	N.C.L.M.
Amanda Davis	Sierra Club
Anne Froehle	NC Coalition for Public Transportation
JWBode	Bode Call & Assoc.
Rebecca L. Prime	Senator ROBERT C. Carpenter's Daughter
Sandra Long	Markin Markin
Gene Upchurch	CAL
BGWade	Gov.'s Off
Chris Carter	Carter & Assoc.
Neddy E. And	Coalition For Public Transportation
Amy Jo Bain	Smith Andersson
Nickie Elmore	Cumberland County

TRANSIT 2001 PUBLIC TRANSPORTATION FUNDING SUMMARY

\$6,150,000 Assist Cities and Counties with Maintenance Expenses

- \$4,150,000 Rural and Small Urban Transportation
- \$2,000,000 Urban and Regional Transit

\$10,350,000 Purchase Vehicles, Construct Transit and Multimodal Facilities and Support Major New Start Projects

- \$2,350,000 Rural and Small Urban Transportation
- \$8,000,000 Urban and Regional Transit

\$1,500,000 Introduce New and Advanced Technologies

- \$ 500,000 Rural and Small Urban Transportation
- \$1,000,000 Urban and Regional Transit

\$18,000,000 TOTAL

RURAL AND SMALL URBAN TRANSPORTATION - TRANSIT 2001 FUNDING

\$4,150,000 Maintenance Assistance

- \$2,000,000 to assist all 100 counties in meeting unmet transportation needs of elderly and disabled.
- \$1,750,000 for community transportation programs to transport rural citizens and to assist with work related transportation in economically distressed counties.
- \$ 400,000 to expand and improve regional and intercity transportation services.

\$2,350,000 Capital Assistance

- \$1,750,000 for vehicle replacement and expansion and other program capital items.
- \$ 600,000 to construct and/or improve two transportation facilities a year.

\$ 500,000 Technology Assistance

- To improve customer service and program effectiveness.

\$7,000,000 TOTAL

URBAN AND REGIONAL TRANSIT - TRANSIT 2001 FUNDING

\$2,000,000 Maintenance Assistance

- To assist urban and regional transit systems with costs associated with providing fixed route and specialized services to transport people to work and medical facilities and to help meet the requirements of the Americans with Disabilities Act (ADA).

\$8,000,000 Capital Assistance

- To purchase buses and other capital items, construct transit and multimodal facilities and support major new start projects.

\$1,000,000 Technology Assistance

- For advanced public transportation technologies to improve customer service, convenience and system effectiveness.

\$11,000,000 TOTAL

Elderly and Disabled Transportation Assistance Program

Allocation Table

	Original \$3,000,000 Allocation	Additional Allocation of \$2,000,000	Total Allocation of \$5,000,000
Alamance	\$40,012	\$26,675	\$66,687
Alexander	\$21,118	\$14,079	\$35,197
Alleghany	\$19,565	\$13,043	\$32,608
Anson	\$22,513	\$15,009	\$37,522
Ashe	\$22,059	\$14,706	\$36,765
Avery	\$19,628	\$13,085	\$32,713
Beaufort	\$26,152	\$17,435	\$43,587
Bertie	\$23,245	\$15,497	\$38,742
Bladen	\$24,206	\$16,137	\$40,343
Brunswick	\$27,938	\$18,625	\$46,563
Buncombe	\$55,366	\$36,911	\$92,277
Burke	\$31,365	\$20,910	\$52,275
Cabarrus	\$36,361	\$24,241	\$60,602
Caldwell	\$30,002	\$20,001	\$50,003
Camden	\$20,754	\$13,836	\$34,590
Carteret	\$27,684	\$18,456	\$46,140
Caswell	\$21,422	\$14,281	\$35,703
Catawba	\$39,538	\$26,359	\$65,897
Chatham	\$24,902	\$16,601	\$41,503
Cherokee	\$22,156	\$14,771	\$36,927
Chowan	\$19,427	\$12,951	\$32,378
Clay	\$19,699	\$13,133	\$32,832
Cleveland	\$33,663	\$22,442	\$56,105
Columbus	\$27,421	\$18,281	\$45,702
Craven	\$31,324	\$20,883	\$52,207
Cumberland	\$58,341	\$38,894	\$97,235
Currituck	\$19,650	\$13,100	\$32,750
Dare	\$21,508	\$14,339	\$35,847
Davidson	\$41,347	\$27,565	\$68,912
Davie	\$21,587	\$14,391	\$35,978
Duplin	\$25,626	\$17,084	\$42,710
Durham	\$50,210	\$33,473	\$83,683
Edgecombe	\$27,509	\$18,339	\$45,848
Forsyth	\$70,931	\$47,287	\$118,218
Franklin	\$24,247	\$16,165	\$40,412
Gaston	\$51,285	\$34,190	\$85,475
Gates	\$21,249	\$14,166	\$35,415
Graham	\$20,978	\$13,985	\$34,963
Granville	\$24,466	\$16,311	\$40,777
Greene	\$19,753	\$13,169	\$32,922
Guilford	\$85,953	\$57,302	\$143,255
Halifax	\$28,716	\$19,144	\$47,860
Harnett	\$29,078	\$19,385	\$48,463
Haywood	\$27,560	\$18,373	\$45,933
Henderson	\$34,034	\$22,689	\$56,723
Hertford	\$21,552	\$14,368	\$35,920
Hoke	\$20,758	\$13,839	\$34,597
Hyde	\$26,823	\$17,882	\$44,705
Iredell	\$35,438	\$23,625	\$59,063
Jackson	\$22,142	\$14,761	\$36,903
Johnston	\$32,871	\$21,914	\$54,785
Jones	\$22,528	\$15,019	\$37,547
Lee	\$24,250	\$16,167	\$40,417

Elderly and Disabled Transportation Assistance Program

Allocation Table

	Original \$3,000,000 Allocation	Additional Allocation of \$2,000,000	Total Allocation of \$5,000,000
Lenoir	\$28,159	\$18,773	\$46,932
Lincoln	\$25,455	\$16,970	\$42,425
Macon	\$23,495	\$15,663	\$39,158
Madison	\$21,311	\$14,207	\$35,518
Martin	\$21,910	\$14,607	\$36,517
McDowell	\$24,168	\$16,112	\$40,280
Mecklenburg	\$110,339	\$73,559	\$183,898
Mitchell	\$19,803	\$13,202	\$33,005
Montgomery	\$22,093	\$14,729	\$36,822
Moore	\$31,197	\$20,798	\$51,995
Nash	\$31,251	\$20,834	\$52,085
New Hanover	\$39,584	\$26,389	\$65,973
Northampton	\$22,342	\$14,895	\$37,237
Onslow	\$37,108	\$24,739	\$61,847
Orange	\$31,730	\$21,153	\$52,883
Pamlico	\$20,407	\$13,605	\$34,012
Pasquotank	\$22,381	\$14,921	\$37,302
Pender	\$24,143	\$16,095	\$40,238
Perquimans	\$19,802	\$13,201	\$33,003
Person	\$22,839	\$15,226	\$38,065
Pitt	\$35,280	\$23,520	\$58,800
Polk	\$20,649	\$13,766	\$34,415
Randolph	\$37,091	\$24,727	\$61,818
Richmond	\$25,823	\$17,215	\$43,038
Robeson	\$36,337	\$24,225	\$60,562
Rockingham	\$34,226	\$22,817	\$57,043
Rowan	\$40,565	\$27,043	\$67,608
Rutherford	\$28,897	\$19,265	\$48,162
Sampson	\$27,334	\$18,223	\$45,557
Scotland	\$22,421	\$14,947	\$37,368
Stanly	\$27,207	\$18,138	\$45,345
Stokes	\$23,227	\$15,485	\$38,712
Surry	\$29,611	\$19,741	\$49,352
Swain	\$22,647	\$15,098	\$37,745
Transylvania	\$22,649	\$15,099	\$37,748
Tyrrell	\$24,578	\$16,385	\$40,963
Union	\$31,353	\$20,902	\$52,255
Vance	\$24,005	\$16,003	\$40,008
Wake	\$88,172	\$58,781	\$146,953
Warren	\$21,458	\$14,305	\$35,763
Washington	\$20,309	\$13,539	\$33,848
Watauga	\$22,665	\$15,110	\$37,775
Wayne	\$35,230	\$23,487	\$58,717
Wilkes	\$28,536	\$19,024	\$47,560
Wilson	\$29,109	\$19,406	\$48,515
Yadkin	\$22,718	\$15,145	\$37,863
Yancey	\$20,476	\$13,651	\$34,127
Total	\$3,000,000	\$2,000,000	\$5,000,000

Transit 2001 Intercity Rail Improvements

II

Fiscal Year	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	Total
Stations	4.6	8.5	8	7.5	7.5	7.5	7.5	7.5	7.5	7.5	73.6
Infrastructure	5.2	6.4	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	53.2
Equipment	1.83	5.53	5.53	4.33	4.33	3	3	3	3	3	36.55
Planning	1.6	2.4	2.2								6.2
Grand Total	13.23	22.83	20.93	17.03	17.03	15.7	15.7	15.7	15.7	15.7	169.55



Transit 2001 objectives

- Support Work First by providing clients with transportation to jobs.
- Improve passenger train speed in the Raleigh-to-Charlotte corridor (two-hour schedule goal).
- Build community transportation systems.
- Develop regional rail and busway systems in the Charlotte, Research Triangle and Piedmont Triad metropolitan regions.
- Increase mobility for elderly citizens and people with disabilities.
- Build or rehabilitate train stations in Charlotte, Raleigh, Greensboro and Durham.
- Extend passenger train service to western North Carolina.
- Greatly improve connections between modes of transportation to create a "seamless" transportation network.
- Aggressively seek federal funds and reduce North Carolina's "donor" status.
- Introduce cost-saving and service-improving technologies.
- Augment local-option funding sources for public transportation.
- Promote use of transit as an incentive for more efficient land use.
- Provide operating support for city and county transit systems.

T R A N S I T
2001

Transit 2001 ***funding summary***

Revenue

\$10.0 million flexible federal highway funds
13.4 million state highway funds
12.6 million state sales tax relief

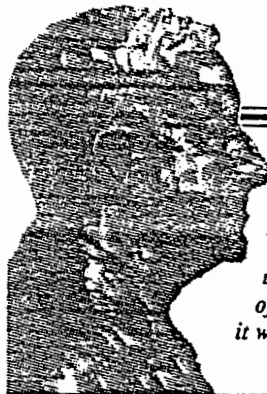
\$36.0 million total revenue

Allocations

\$18.0 million intercity passenger rail
18.0 million public transportation
 { \$11.0 million urban/regional systems }
 { 7.0 million rural systems }

\$36.0 million total allocation

R A N S I T
2001



I advise and enjoin those who direct the paper in the tomorrows never to advocate any cause for personal profit or preferment. I would wish it always to be "the tocsin" and to devote itself to the policies of equality and justice to the underprivileged. If the paper should at any time be the voice of self-interest or become the spokesman of privilege or selfishness it would be untrue to its history.

— from the will of Josephus Daniels, Editor and Publisher 1894-1948

Fast track for transit

A task force on mass transit makes it clear that to delay action on investing in alternate forms of transportation will leave areas of North Carolina in gridlock. The implications are broad, and scary.

The issue of mass transit is like a hibernating bear that emerges now and then in the General Assembly only to be shooed back into its cave by legislators who say that North Carolina doesn't have enough money to invest in alternative modes of transportation even as they vote billions for highways.

If ever the old bear should be wide awake, it should be now, in response to an exhaustive study of mass transit by a task force appointed by Governor Hunt. The study's conclusions are clear and stark: This state is far too reliant on highways and cars. If we fail to provide alternatives, chiefly in the form of practical rail service in congested areas — and if we fail to coordinate road-building with rail-building — huge problems loom 'round the corner.

Thomas Hearn, Wake Forest University's president and head of the group that included business people, mayors and legislators, quoted one consultant's ominous view that North Carolina could become "Los Angeles with seasons." When visitors ask residents of that community what could have caused a four-hour delay on the San Diego Freeway, the residents shrug and say, "Oh, that's just the way it is."

If North Carolinians don't want that to be the way it is in many parts of the Tar Heel State, they have a remedy in the findings and recommendations of Hearn's group. Consider that in the last decade, the state's population has grown 14 percent, but vehicle registrations have gone up 20 percent and miles traveled have increased 44 percent. That's a formula for more stop than go. The miles-traveled figure will double in the next 20 years.

This task force would try to blend the planning of road construction with planning for mass transit. For example, more money needs to be invested in

studying mass transit options and in following through with the development of transportation corridors between major cities. One goal is a two-hour train route between Raleigh and Charlotte.

The panel's other goals can be boiled down to some general points that merit the state's attention:

- Develop regional plans — as some areas do for water services, or airports — to coordinate transportation. That means that when new roads were planned, they'd be planned in the context of what else might be done: Could bus service be improved? Could a commuter rail system be developed?

- Plan for the future by preserving possible corridors for rail service from the eastern to the western part of the state, even if such service can't be offered right now.

- Look for additional funding sources, including the gasoline tax and a boost in the vehicle registration fee at the state level, and parking taxes or rental car taxes locally, to help pay for the investment in alternative transit.

The result of continuing along the present course is simple: Roads between and around major cities will become choked, or more choked than they already are. The ramifications for rural areas are serious as well, since those areas are interested in economic development that grows out of cities. In the long term, choked roads mean a choked economy, which is why business leaders endorse this report.

Gov. Hunt showed excellent leadership in forming the task force. Now he must stand behind its findings when the legislative road turns rocky, as it surely will. Foresight focuses on the future like a telescope, and with regards to transit, North Carolina has been entirely too shortsighted.

The Charlotte Observer

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Opi

EDITORIALS

A tough road for transit

Hunt's proposals are worthy. But will legislators agree?

Consider the humble sidewalk. It lies near the bottom of the transportation food chain, just a notch above a footpath. Yet even the lowly sidewalks of Charlotte cost city taxpayers at least \$3 million a year to build and maintain. Transportation systems — whether you're talking about sidewalks, streets, highways, railroads or airlines — are expensive. But they are necessary. And it's appropriate to use public money to pay some of those expenses.

Nevertheless, the N.C. Department of Transportation's budget for years has reflected the conventional wisdom that only one form of transportation deserved vigorous state support — private motor vehicle travel. Thus, North Carolina spends billions to subsidize private auto travel through huge road-building projects, but public transportation in the state languishes.

Of the \$1.7 billion in state money in the DOT's budget, only \$20 million (1 percent) goes for public transportation. That puts North Carolina's investment in public transportation among the lowest in the nation. That's shameful enough. But since 1991, more federal money has been available for states to use for public transit. North Carolina has used almost none of it.

Gov. Jim Hunt announced Friday he intends to change that. After receiving the formal report of his Transit 2001 Commission, he announced he wants to add \$36 million to the state's spending on public transportation — \$12 million from the general fund, \$12 million from the highway fund, \$10 million in federal money.

Wake Forest University President Tom Hearn, who chaired the transit commission, said the group's proposals would "complete the transformation of the Department of Transportation" into an agency that supports more than just roads. He aptly characterized Gov. Hunt's proposed increase as "modest." Environmentalists and others who support more mass transit will be disappointed he isn't aiming higher. The commission's report calls for as much as \$75 million a year in new state funding after a phase-in of a few years.

Nevertheless, the announcement is happy news — assuming the governor can persuade the N.C. General Assembly to go along with it. Compared to what the state spends subsidizing auto travel, \$36 million is tiny. Building one mile of interstate highway in North Carolina costs \$6 million, plus another \$2.5 million to buy the right of way. So \$36 million would pay for a little more than 4 miles of new interstate highway.

Despite the state's obvious and growing problems with traffic congestion and air pollution, the governor expects a tough time in the legislature. Highway money has been a sacred cow, and the road building industry's lobby is powerful, even though Dr. Hearn has said repeatedly that "the issue is not highways or transit." Some conservatives who don't blink an eye when government subsidizes private auto travel balk at the thought of public money for bus or rail travel.

It's long past time for North Carolina to recognize the economic, environmental and social gains to be had from stronger investment in public transportation. We can, and should, do better.



Hearn

3-1-97
Rodsonier

Editorial

Transit 2001

From the News & Record of Greensboro:

Without transportation planning, North Carolina could become Los Angeles with seasons. That's how one transit planner sums up our state's future.

The anecdote was passed on by Wake Forest University President Thomas Hearn Jr. the other day to a group of Charlotte business people. Hearn was speaking of roads and other forms of transportation. North Carolina is big on the former but not much on the latter.

Hearn heads a state commission called Transit 2001 that is analyzing future transportation needs. He went straight to the heart of the issue. North Carolina needs transit planning and alternatives to the automobile now or urban centers are destined to join the ranks of those where traffic gridlock and commutes of several hours are the norm.

We're not there yet, thank goodness. But we're a lot closer than we were when Transit 2001 was formed just a few years back. The panel was charged with providing a plan for moving people into the next century, literally. And Hearn is right. If our politicians continue to think of highways alone, we're headed for a mess of pollution and congestion.

Statistics tell the story:

— In 10 years, this state's population has increased 14.5 percent, but the number of vehicles on the highways has increased 20.4 percent, the number of miles driven has climbed 44 percent and is expected to double in the next two decades.

— We're building roads at

breakneck speed and going into debt with bonds, but there's no way to keep up with the demand either in dollars or pavement. Our efforts to build and use alternative forms of transportation barely register. The state has a transportation budget of \$1.7 billion, but 99 percent goes from road construction or repair and only 1 percent for mass transit.

— The governor's new budget, while kinder to mass transit than ever before, includes only \$26 million to explore alternatives to the private car. Compared to highway spending, that's pocket change.

Hearn's committee has a better idea. It won't be cheap or easy. But it's cheaper than laying more asphalt. One of the challenges will be keeping the cities and counties working cooperatively rather than competitively. That's where leadership is important.

Transit 2001 calls for doubling state spending on public transportation, improving the quality and speed of rail service among major cities, giving local governments authority to levy taxes on commercial parking lots and rental cars and allowing local option tax increases for public transit use.

North Carolinians have been spoiled by good roads. The traffic in and between our major cities, however, is a harbinger of things to come if we don't look beyond highways to other forms of transportation. Now is the time to move forward as Hearn asks. Transit 2001 lays out the problem. It will take leadership to find the solutions.

Hunt urges \$36 million more for public transit in N.C.

By DIANNE WHITACRE
Staff Writer

North Carolina can no longer rely solely on roads and cars, said Gov. Jim Hunt, who proposed Friday that the state almost double its spending on public transportation.

He said public transportation offers advantages cars can't. It will ease congestion and pollution in Charlotte and Raleigh and help people without cars get to work.

The governor was in Charlotte talking about recommendations of Transit 2001, a 17-month study he commissioned to guide the state's plan for public transportation.

He wants the legislature to budget an extra \$36 million.

Said Rep. Ed McMahon, R-Mecklenburg: "It will be difficult to get that amount this year — a real challenge."

Hunt wants to rev up the state's commitment to public transportation. And like Gov. Kerr Scott put his name in the history books in the 1950s by paving muddy roads, Hunt wants to be remembered for improving public transit.

He appointed NationsBank CEO Hugh McColl Jr. and Wake Forest University President Thomas Hearn to head a new panel charged with carrying out the recommendations.

"Let's say today we are going to change the future," Hunt said.

Here are some of Transit 2001's recommendations:

- Help Charlotte build busways; help Raleigh, Durham and Chapel Hill start commuter rail service.
- Increase transportation for the elderly, the disabled and the poor.
- Extend passenger-train service to Western North Carolina; increase train speeds between Charlotte and Raleigh.
- Increase state spending from the current \$20 million a year to \$56 million.
- Give cities the right to levy new taxes for public transportation.

The \$20 million — 1 percent of its transportation budget — that North Carolina spends annually for public transportation is among the lowest amounts in the country, according to Transit 2001.

Hunt says \$12.6 million should come from the general fund, \$13.4 million from the Highway Fund and \$10 million from the federal Congestion Mitigation and Air Quality program.

It is not a question of whether the state should build roads or improve public transit, but how to do both, said Transportation Secretary Garland Garrett. "It is something we must do. Both will com-

plement each other," he said.

Hunt spoke in the food court of Charlotte's bustling transportation center. As diesel buses rolled by a few feet away, curious passengers came inside to listen.

The location was appropriate for Charlotte, which wants to build a rapid-transit system based on city buses. The buses would run on their own lanes, bypassing traffic congestion. Charlotte officials hope to open the first busway this fall on Independence Boulevard.

A key part of the report is giving cities a choice of new-taxing authority to raise money for public transportation. Five bills are being written, but some "won't stand a snowball's chance" in the legislature, said Assistant Secretary David King.

The choices include higher taxes on rental cars, increased vehicle-registration surcharges, a parking tax, land-transfers tax or increased sales tax.

The plan recommends the state improve tracks so passenger trains can make the Charlotte-to-Raleigh trip in two hours. Hunt slipped when he talked about that Friday, saying the trip from Raleigh to Durham should take two hours.

Sometimes when Interstate 40 backs up, it takes that long by car, one person in the crowd joked.

Panel urges doubling of mass-transit spending

A report to Gov. Jim Hunt lists ways to keep the state's urban areas from becoming 'Los Angeles with seasons.'

BY JOHN WAGNER
STAFF WRITER

CHARLOTTE — A high-powered group appointed by Gov. Jim Hunt announced a plan Friday that would more than double spending on public transportation in North Carolina — creating better bus service, regional rail networks, and high-speed trains between major cities.

The Triangle would be among the biggest beneficiaries of the group's plan, but the region also would pay for a significant part of it. Besides more state and federal spending, the 120-page report calls for an

array of new local taxes and fees, including levies on rental cars and commercial parking spaces.

At a morning news conference, Wake Forest University President Thomas Hearn, who chaired the governor's Transit 2001 Commission, argued that the additional spending is needed to keep urban North Carolina from turning into "Los Angeles with seasons" — a community plagued with congestion and pollution problems.

"We must address transit issues now," Hearn told a crowd gathered at the Charlotte Transportation Center, the city's open-air bus hub. "Failure to do so will have dire consequences for our state."

Currently, North Carolina's spending on public transportation ranks

SEE TRANSIT, PAGE 10A

TRANSIT

CONTINUED FROM PAGE 1A

among the lowest in the nation. All but 1 percent of the state's \$1.7 billion transportation budget goes toward highways and roads.

The commission recommends boosting state spending on mass transit by \$75 million per year. Counting local, state and federal money, total transportation outlays in North Carolina would grow from \$108 million to \$265 million a year.

But even some mass-transit advocates acknowledged Friday that the commission faces an uphill battle selling its program to lawmakers in a state where residents rely so heavily on cars.

"We're supporting this for economic development reasons," said Phil Kirk, president of N.C. Citizens for Business and Industry, the state's largest and most powerful business lobby. "But it's not going to be an easy sell at the legislature. It's going to take a lot of education."

Hunt, who formally received the group's report at the news conference, voiced general support for plan — but did not spell out which parts he would push lawmakers to adopt.

"This is great stuff," he told commission members. "I am very, very proud of this report."

Hunt, a Democrat, also argued that better public transportation is necessary for the success of his welfare reform program, Work First. The program requires welfare recipients — many of whom lack cars — to find jobs.

Over the next several years, the commission proposes to spend significantly more money on bus services in urban areas such as the Triangle and to start planning for regional rail systems. By 2010, the group envisions tripling bus ridership in the Triangle.

A priority would also be placed on working with the federal government to develop two-hour train service between Raleigh and Charlotte. Hunt enthusiastically endorses that goal.

In general, the report says, the state and its congressional delegation need to lobby more aggressively for federal transit dollars.

The report lists several possibilities for raising state money, including a 1-cent per gallon increase in the gas tax and a \$5 increase in vehicle registration fees. The fee is currently \$25 in Triangle counties.

The local taxes and fees suggested by the commission include:

- A tax on rental cars. The commission estimates that a 5 percent tax in Wake, Durham and Orange counties, for example, could yield \$6.3 million a year for mass transit.

- A tax on parking spaces in commercial lots. An annual \$10-per-space fee would yield \$4.9 million in Mecklenburg County, the commission says.

- An additional local-option sales tax. A 1/2-cent tax could raise \$13.5 million in the Triangle alone, the group says.

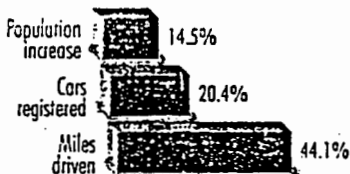
Durham Commissioner William Bell, a mass transit advocate, said local officials could be reluctant to embrace such tax increases right away. "Any new source of revenue is going to be a hard thing to come by right now," Bell said. "First, we've got to lay out a better case to

Mass transportation in North Carolina

North Carolina's spending on public transportation currently ranks among the lowest in the nation. All but 1 percent of the state's \$1.7 billion transportation budget goes toward building and maintaining highways and roads.

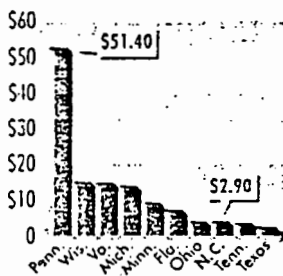
THE PROBLEM

In the past 10 years the state has seen an increase in population and a dramatic increase in the number of miles residents drive.

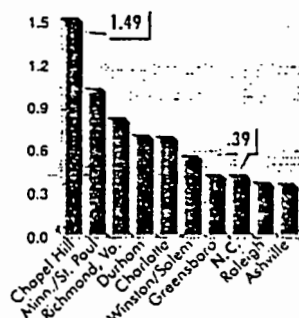


HOW WE COMPARE

Transit spending by state
STATE'S CONTRIBUTION PER CAPITA



Transit use by city
SERVICE HOURS PER CAPITA



BLUEPRINT FOR THE FUTURE

The Transit 2001 Commission, after 18 months of work, provided Gov. Jim Hunt with a 120-page blueprint for making North Carolina more mass transit friendly. Here are a few of the highlights of what the panel proposes:

Money

- Increase annual mass transit spending in North Carolina from all sources from \$108 million to \$265 million. Increase state spending by \$75 million.

Rail

- Extend rail service from Raleigh north to the Virginia line.
- Study establishing rail service from Raleigh to Greenville.
- Extend rail service from Salisbury to Asheville.
- Study establishing rail service from Charlotte to Wilmington.

Urban Transit

- Complete design and financing plans for regional rail system in the Triangle, new busways in Charlotte.
- Start rail improvements to reduce train travel time from Raleigh to Charlotte.
- Ask lawmakers to help create new, regional transit authorities.
- Ask lawmakers to expand the power of local governments to raise taxes, fees and other revenue sources for transit needs.

Regional Needs

- Save corridors, threatened by growth, for future rail lines.
- Develop and adopt incentives for planning that accommodate and encourage mass transit.
- Form a multistate, high-speed rail coalition.
- Obtain federal funding for regional rail and inter-city rail.
- Form regional transit coalitions.

Source: Transit 2001 Commission

The News & Observer

half the state's 170 lawmakers represent rural districts.

The report does recommend significant expansion of "feeder services" from rural areas to city bus routes. But Sen. Donald Kincaid, a Caldwell County Republican, said there's a perception that public transportation benefits urban areas more.

"I'm not saying the need's not there," Kincaid said, "but we've been driving on crooked, two-lane roads for years now. We can't have

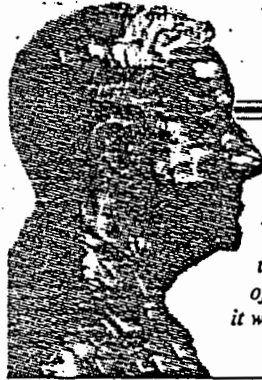
his early childhood program, Smart Start.

"It's great to dream," Kincaid said. "But we don't have unlimited resources in North Carolina."

Several politicians who attended the news conference Friday were more optimistic.

"Most folks realize we're going to have to do something to improve getting around in the state," said Rep. Beverly Earle, a Charlotte Democrat. "I think the timing is right."

Mayor Pat McCrory of Charlotte,



THE NEWS & OBSERVER

MONDAY, MARCH 10, 1997

I advise and enjoin those who direct the paper in the tomorrows never to advocate any cause for personal profit or preferment. I would wish it always to be "the tocsin" and to devote itself to the policies of equality and justice to the underprivileged. If the paper should at any time be the voice of self-interest or become the spokesman of privilege or selfishness it would be untrue to its history.

— from the will of Josephus Daniels, Editor and Publisher 1894-1948

The future, via rail

Trains, once seen as rusting relics of the past, have reemerged as a viable transportation option. Raleigh is well-situated to be a major rail hub if the city moves now to capitalize on it.

The view from the Boylan Avenue Bridge toward downtown Raleigh offers a vision of what could be a bustling future for the area. It is there, between the warehouses and interlocking railroad tracks, that transportation planners say a new hub for trains moving thousands of travelers through the city should be built.

To envision Raleigh as a train town is not to long romantically for a nostalgic past, but to take a hard-headed approach toward the realities of travel in the coming century. More and more, trains are being viewed as an efficient, environmentally sound and workable alternative to the crush of cars and highways that is only going to get worse in the next few decades.

There is no shortage of exciting ideas, and they all have in common that they converge in downtown Raleigh:

- The capital city is envisioned as the hub for rail service that would serve Durham, Cary and the Research Triangle Park by 2002, and Chapel Hill and the airport by 2010.

- The state is already making plans for high-speed trains that would travel from Raleigh to Charlotte in under two hours. Thousands of business travelers

would park their cars for that convenience.

- Amtrak also wants to bring high-speed trains to the busy New York-to-Florida corridor as well as the Washington-to-Atlanta route. Both lines would come through Raleigh. And other cities under consideration for future service include Greenville, Morehead City, Wilmington and Asheville.

The key to success is regional cooperation, funding and planning. Cary has a new station so well-designed and strategically located that Amtrak already wants it expanded. Durham's new station is due in 2000, and Raleigh has a perfect site for a new multi-purpose transportation center amid the big rail junction downtown.

There is no end in sight to the growth boom that has so enriched the Triangle. But there is a limit on how many new cars and how much new pavement the area can absorb without damaging what has made it so attractive to new business and new residents.

The smart thing is not to look back at the romance of the rails, but to move forward toward the exciting possibilities that trains offer for the future. The time to start is now.

NEWS & RECORD

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Next stop Asheville for state rail service

● Proposal to expand train service deserves the legislature's support.

You might soon be able to take the A-train from Greensboro if state transportation planners have their way. That's A as in Asheville, which is the state's most requested destination not currently served by passenger rail.

A blue ribbon commission appointed by Gov. Jim Hunt has recommended that Asheville be added to the state's fledgling network of passenger rail service. If all goes as planned, the Asheville train would originate in Raleigh and pass through Greensboro on its way to the mountains. Optimists believe the service could be in place as early as 1999.

We say, the sooner the better. Passenger service to Asheville makes sense because it would give the state's western population the option of taking the train rather than relying on automobiles. It would open up another avenue for tourists to visit popular North Carolina mountain attractions.

As the Transit 2001 Commission correctly points out, the state must create alternative modes of transportation if North Carolina is to avoid the gridlock and expense of an overburdened highway system. Opening a passenger line to the mountains would supplement the good start the state has made with two

commuter lines already running between Charlotte and Raleigh.

The Carolinian and the Piedmont, each with stops in Greensboro, have proved over the past half dozen years that there is a market for train service in North Carolina. The Carolinian, in particular, which was the first of the two lines, has become one of the busiest in the entire Amtrak system.

The proposed Asheville train would cost about \$14 million to start up and about \$2 million a year to run. But passenger fares help defray costs.

The Carolinian, for example, recovers 82 percent of its cost in fares; the Piedmont recovers about half. When you consider that highways cost the state about \$1.7 billion a year by contrast, the trains begin to look like a good deal for the taxpayer. And they are.

make even more money, in fact, if the legislature would step up efforts to reduce to two hours the commuting time between Charlotte and Raleigh. The train trip takes almost four hours as things now stand. Nearly eight hours round trip is simply too long to be practical for many people.

The legislature must commit itself to improving train service across the state. Adding a western leg to the established Charlotte to Raleigh lines would be a good next step.

Welfare to job But no ride? Some ideas

By DIANE SUCHETKA
Staff Writer

Poor people across America are paying on welfare because they don't have a ride to work.

They can't afford cars or taxis. They live in towns without public transportation — or in big cities with buses that don't always go where the jobs are.

But North Carolina — from its rural counties to its biggest cities — solving the transportation problem.

It has to.

The federal government will penalize states that don't put half their welfare recipients to work by 2002.

North Carolina is well on its way to success. In the past 18 months, the state has reported a 17 percent drop in its welfare rolls. But those who are on welfare say over and over that people can't work without a ride to their job.

"Transportation is one of the two big bugaboos," says David King, head of an N.C. study

Getting off welfare into job a hassle with no ride

REFORM

Continued from page 1B

group on welfare and transportation.

"If they can't get transportation, all the other good things aren't going to keep them at work."

Wheels-to-Work

For a month, James Kroth bicycled to his second-shift job cleaning offices. He'd leave downtown Winston-Salem at midnight, taking an hour to pedal home.

Now, thanks to the Wheels-to-Work Program started by the Forsyth County Department of Social Services, Kroth is driving himself to his job in a 1990 Crown Victoria once used by cops.

Wheels-to-Work sells low-price county-owned cars to welfare recipients who need to get to jobs.

"It helps a lot," says Kroth, 45, who's married and has four children. "I can get to work. I can get to the grocery store. I can take the kids to the doctor. I can even take them down to get some ice cream if I want to."

It's a community project. A local car dealer repairs the cars at cost. A Winston-Salem agency insures them for a year. The county donates the cars. And Goodwill runs the program.

So far, six welfare recipients are buying the used cars.

The cost is minimal. They pay for repairs, registration and license plates in 12 monthly payments of \$50 or \$75.

"This is just a tiny little project, but it shows what a community can do when it cares about people," says Ann Hamilton, director of the Forsyth County DSS.

"It just goes to show — you ought to light one little candle instead of cursing the darkness."

And even though James Kroth missed work last week waiting for his starter to be repaired, he says the car and the job have made life better.

"People look at you a little differently," he says. "They treat you with a little more respect."

"It makes me feel 100 percent better."

'Whatever it takes'

Other counties have found solutions, too.

In Johnston County, just a few miles southeast of Raleigh, some welfare recipients are riding school buses to work.

The cooks, custodians and teacher assistants ride the bus in the morning and the afternoon, serving as monitors along the way.

In Yadkin County, 60 miles north of Charlotte, DSS sometimes leases cars for welfare recipients.

"We actually found that we can give the individuals the money to lease a car and come out cheaper than using some other methods of transportation," says Yadkin DSS Director Wayne Black.

Usually, Black says, the car is leased for just a few days.

"Maybe the first week of work, until they get that first paycheck," he says.

"And our social worker has even taken people to their interviews. Whatever it takes. We try to focus on the outcome."

In Charlotte, 300 people wouldn't be able to get to airport jobs without the Host Marriott Employee Express.

The 25-passenger van picks up workers every day as early as 5 a.m. and drops them off as late as 11 p.m.

Host Marriott operates most of the airport's restaurants and shops. The company began van service about 18 months ago, when it couldn't get the city to provide transportation to the airport.

Now, the van picks up workers near the bus stop at Remount Road and West Boulevard several times a day. It also makes daily runs to the Employment Security Commission on West Trade Street so people on unemployment can get to the airport to apply for jobs.

That's how April Reeves found work at Miami Subs Grill.

Now, almost a year later, the 21-year-old mother is off welfare.

"If I didn't have the van," she says, "nine times out of 10 I wouldn't make it work."

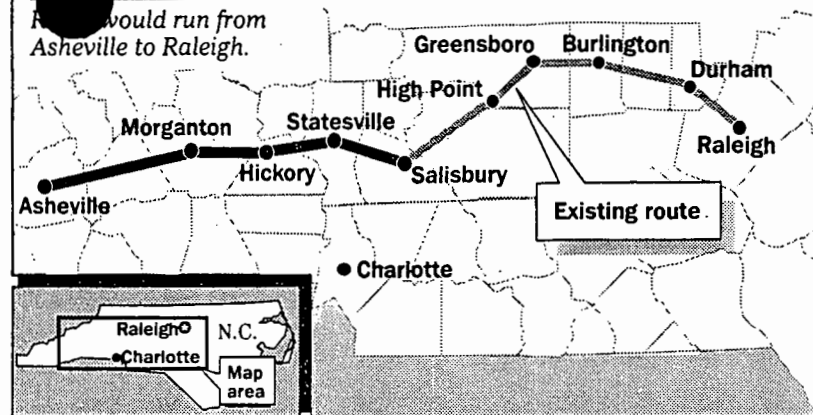
"Now I don't have to sit at home and do nothing."

Please see REFORM / page 5B

Asheville-Raleigh rail route possible by 1999

PROPOSED NEW RAIL ROUTE

Rail would run from Asheville to Raleigh.



GEORGE BREISACHER/Staff

State projects 72,000 passengers in 2000

C-0. 2-26-97

By **NORMAN GOMLAK**
Staff Writer

HICKORY — Passenger trains could be whisking people from Hickory to Asheville by 1999 if N.C. lawmakers approve funding this week, a state official said this week.

The N.C. Department of Transportation picked the Raleigh-Salisbury-Asheville route over four alternatives for providing passenger rail service to Western North Carolina, including one that would have started in Charlotte.

Raleigh was chosen as a starting point over Charlotte because it allows the train to pick up passengers in the fast-growing Triad and Triangle areas, said Patrick Simmons, the state's rail division director.

Simmons estimated it would take two years to get trains running once the legislature approves funding and the Norfolk Southern Corp. permits the state to use its tracks. The earliest that service on the 125-mile route could begin is 1999, he said.

State officials envision the train stopping at new or refurbished stations in Statesville, Hickory, Morganton, Marion, Old Fort and Black Mountain.

Set-up for passenger rail service would cost \$12 million to

TRAIN

Continued from page 1C

\$16 million for the station, train cars and first year of operation, according to a study by state transportation officials. A portion would come from \$36 million that Gov. Jim Hunt wants to spend this year on transportation proposals recommended by his Transit 2001 commission.

"It seems like a reasonable amount," said state Sen. Austin Allran, R-Catawba, about the rail plan.

The state already pays for a portion of passenger rail service on a 172-mile route between Raleigh and Charlotte.

N.C. Rep. Walter Church, D-Burke and a member of the Appropriations Committee, said he likes the idea but wants to see if the Western North Carolina rail service would be worth the investment.

"I'm a banker and I don't want to throw \$10 million out there unless we get a return on it," he said.

The state transportation study projects that about 72,000 passengers would travel the Raleigh-Asheville line in the year 2000, with ticket revenues covering about 45 percent of the \$3.7 million annual operating cost.

The new rail plan comes 22 years after The Asheville Special last carried passengers from Salisbury to Asheville, which state officials say is the most

inquired-about destination not served by Amtrak.

One obstacle to the rail plan is that Norfolk Southern officials have said their first priority is serving freight customers. State transportation officials said they would need to work out track times and liability issues with Norfolk Southern.

Community leaders and merchants in Hickory and Morganton said they'd love to see passenger trains again.

"The minute a train comes by ... (adults) will turn around and say, 'I remember the train when I was a child'" said Julia Rush, a Hickory shop owner. "It's like we lost those kind of memories, and maybe we're going to bring them back."

Please see **TRAIN** / page 3C

◆ OPINION ◆

Tuesday, January 7, 1997

Salisbury Post

"The truth shall make you free"

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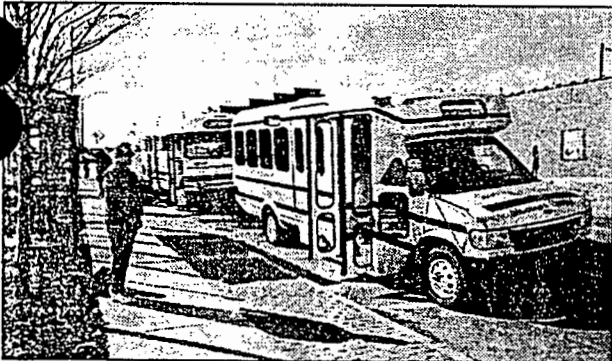
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WAYNE HINSHAW/SALISBURY POST

RIGHT SIZE: This small bus is one of two mini-buses Salisbury's public transit department has recently added to its fleet.

VITAL LINK FOR RIDERS

City buses keep rolling

The numbers on Salisbury's public transit system are impressive for a city this size: eight buses, including two smaller ones recently added to the fleet; 170,000 riders a year; a \$434,868 annual budget that includes \$90,000 in fares, \$128,671 in local tax dollars and \$212,197 in federal and state funds.

But the most important number for the bus system may be 2001.

That's the target date chosen by Gov. Jim Hunt for a task force he appointed to look at the state's public transit needs. As such, the Transit 2001 Commission could help bus systems like Salisbury's turn a crucial corner: from primarily carrying those who have no other form of transportation, to a broader role in relieving city streets of endless vehicle traffic and making public transportation as a whole work better.

That would be a sharp turn.

60-cent bus ride

This is not to say the role of transporting the car-less lacks importance. For thousands of Salisbury residents, a 60-cent bus ride can make the difference between reaching work or receiving a pink slip, keeping a doctor's appointment or falling ill. Without a city bus system, the community could have bigger, more costly problems on its hands.

But changing attitudes about public transit — toward a more European acceptance of getting around on train and bus schedules instead of our own — could divert heavy traffic from expensive-to-maintain roads and save the North Carolina environment from being paved over.

Call it the Road of Dreams Principle: Build it and they will come, "they" being the thousands of cars and trucks that speed along state roads. Each new road seems to create an insatiable appetite for more lanes, more routes, more asphalt.

The state has a huge stake in testing the principle on buses and trains. If we build a faster rail system and a more user-friendly bus system that connects at the right points, will the traveling public come — and leave their cars at home?

Salisbury is experimenting in that direction, trying a couple of smaller, more comfortable buses, and acquiring property near the train station for a city bus terminal. The city has also been involved in helping to phase out several railroad crossings to make the prospect of increased, high-speed rail travel a safe one.

Catering to cars

The city has chosen a wise course, one that the Transit 2001 Commission likely will encourage. Non-riders may grumble about the buses they see traveling the streets nearly empty and the tax dollars that support the system. But in a day when the emphasis is on getting people to work and conserving resources, public transit buses' future looks secure.

City buses get people where they need to go, relieve heavy street traffic and, in the future, they'll provide the link between train station and destination point that makes rail work. Here's hoping the Transit 2001 Commission succeeds in directing more funds toward this type of public transportation and helps steer the state away from **its fixation** on the paving of North Carolina.

BUS CENTER

Continued From Page B1

It's a landmark that has been planned for more than 10 years and was several months late in opening.

City officials decided in 1985 that they wanted to replace the existing transit center, which wasn't really much of a center at all. The downtown terminal consisted of a few covered benches and a small storefront near the old courthouse on Fifth Street.

In 1994, after years of debate over where to build the center, the aldermen voted to build it on Fifth Street, across the street from the old post office.

The center was supposed to open in October. But a harsh winter pushed the opening to January. Rainy weather again delayed the opening until yesterday. "We're just truly glad to have it open," McKinney said.

The front of the building is glass. The curved roof that covers the 16 terminals has open patches to allow sunlight through. "We wanted it to be open and light and airy," McKinney said.

The three-story interior of the building is done mostly in earth tones.

A tile mural on the lobby floor depicts such local landmarks as Old Salem's teapot and Wait Chapel, and large glass etchings tell the history of public transportation in the city.

Both of the pieces of artwork were created by a New Orleans artist who rode around the city on his bicycle to get a feel for the city, according to architects with Walter Robbs Callahan and Pierce Architects PA, the firm that designed the center.

The second story of the 15,000-square-foot building has conference rooms where drivers



JOURNAL PHOTO BY DAVID ROLFE

Decorating the building are scenes of the city's transportation history etched in glass.

are trained. Most of the city's transportation offices and the traffic-signal system are also scheduled to move to the second floor later this year.

Garland Garrett, the state's secretary of transportation, was in Winston-Salem for the opening. He said that the transit center is testament to what federal, state and local officials can do

when they work together. As with most transportation projects, the cost for the center was shared: 80 percent came from the federal government, and the city and state split the rest.

"Some folks think that we (transportation officials) are trying to asphalt the entire state," Garrett said. "But that's not true. We look to multimode transportation."

10 goals for North Carolina

Those of us who live here may view North Carolina's problems as blemishes to be cured. We love the beaches and the mountains, the NBA and the NFL, the opportunities to make money and the chances to get away.

'97
A look ahead

But the blemishes aren't self correcting; they're not something we can simply grow out of. Growth increases the wealth of places like Charlotte, but poverty persists, sprawl gobbles the countryside and hog waste smells like more than money. Mecklenburg is not a place apart. Its future is linked to its neighbors in both Carolinas. What Raleigh does affects Mecklenburg's roads and schools and much else. And how Mecklenburg fares affects what Raleigh is able to do.

If there is much that we need to do, there is much that we can do. Here are 10 things we in North Carolina need to do in 1997.

Address the gaps dividing county

1 Preserve community: A visitor to Charlotte two decades ago would have found us worried about race relations, crime, suburban sprawl, traffic, busing. A visitor today would find a very different, much larger and more impressive city — but one still worried about race relations, crime, suburban sprawl, traffic, busing.

Our city's extraordinary success — its new skyline and megabanks and major league sports teams — haven't solved those old problems. Indeed, we may be at risk of losing the sense of community that made us believe we could solve those old problems.

In his 1995 campaign, Mayor Pat McCrory talked about the need to pay more attention to a growing suburban constituency of citizens who have no ties to Charlotte's history and traditions and little sense of being part of the larger community. We need to be just as attentive to residents of the older city, particularly those left behind by the city's economic success.

Several initiatives under way will determine whether we can sustain the common purpose that has made this one of the most successful American cities. We will be looking at schools and busing, at uptown development — at relations between police and the community, between Mecklenburg and neighboring counties, and among our diverse racial and ethnic groups.

But maintaining a strong sense of community will require a commitment of citizenship, not just of leadership. Most of all it will require an understanding that none of us can escape into gated communities or to distant subdivisions or even the next county and avoid the consequences of urban decay and socioeconomic distress.

Tame the sprawl that blights state

2 Control sprawl: Ugly, unrestrained, poorly planned development is stealing our state's beauty and wreaking environmental, economic and social havoc.

If something doesn't change, our mountain vistas, coastal treasures, rolling Piedmont hills and pleasant towns will be lost, except to memory. While growth is necessary for economic vitality, it's time to get smarter about how we grow.

Locally, many city-county laws and rules promote or even require sprawl. Among them: setback and parking requirements, single-use zoning, vast low-density residential areas, disconnected streets. The outerbelt will bring more rapid development at the city's edge. Until the rules change, that growth will continue to be formless, ugly and environmentally unsound.

Planners have worked in recent years to encourage more compact, pedestrian-friendly urban growth, but code changes have not gone far enough. Developers seeking to build compact, urban developments say local and state rules — and neighborhood opponents — stymie them.

In addition, state officials ought to abandon their head-in-the-sand mantra that all land-use decisions are local. North Carolina needs intelligent statewide growth guidelines.



Don't become a doughnut city

3 Strengthen the urban center: Charlotte must not become a doughnut city, with a prosperous fringe encircling a dying center. The forces are already at work: development at the edge intensifies with each mile of outerbelt construction. Keeping the center healthy becomes an even greater challenge.

Sensible public investment uptown can reap economic gains, if it is the sort that encourages nearby growth: stores, apartments, restau-

rants, cafes, small industries. But City Council should be wary of investing in projects that, in the long run, enliven little beyond out-of-town developers' bank accounts. Charlotte's business leaders understand the need for a vital uptown. Nevertheless, vacant windows gaze on the premier streets, Trade and Tryon, and street life vanishes after 5 p.m. Cities as small as Shelby and Salisbury can keep downtown storefronts filled. Why can't Charlotte? Until city leaders have the gumption to say no to more office lobbies and more overstreet passageways and instead plug vacant spots with the stores, restaurants and residences that generate lively sidewalks, uptown will remain a 9-to-5 place.

With attention on uptown, it's easy to forget how unrestrained development at the edge can suck vitality from older neighborhoods such as Cotswold, Plaza-Shamrock, Wesley Heights, Sedgefield, Hidden Valley. Many are stable and thriving; others show strains from traffic or crime or disinvestment, as stores and jobs move ever farther out. City policy protects those neighborhoods, too.

Get cracking on local transit

4 Look beyond cars: From 1985 to 1995, while Mecklenburg's population grew 30 percent, the number of vehicles grew 41 percent and vehicle miles driven a whopping 77 percent.

An auto-only system pollutes the environment and means incessant highway-building, street-widening and vast parking lots. All retard healthy growth. A transportation system based on private autos robs low-income workers of job opportunities and robs teens and many elderly and disabled people of independence.

Smart transportation planning also considers walking, bicycling and transit and aims to make them attractive enough to lure significant numbers of drivers out of their cars. Local reports due this month are expected to endorse a system of transit lanes, in which city transit buses travel on bus-only lanes so they don't fight traffic. They will recommend protecting rail corridors in the center city and suggest a pilot busway project on Independence Boulevard.

City Council should get cracking. If the experts conclude busways are a better option than light rail, choose busways. The only dickerer ought to be over how to dedicate enough money to pay for it and how to begin improving Charlotte Transit's system.

Do more than widen highways

5 Make transit a state priority: At the rate North Carolina is growing, we cannot afford — either literally or figuratively — to rely endlessly on more highways and more automobiles. In little more than a decade, traffic on parts of I-40 and I-85 will double. The answer is not a mile-wide highway with cars creeping forward a foot at a time.

The state must quit giving lip service to transit programs and adopt a forward-looking transit plan that:

- Includes high-speed rail service (with two-hour travel time) between Charlotte and Raleigh.

- Restores passenger service to the state port areas of Wilmington and Morehead City, and through Salisbury to Asheville.

- Offers local governments more ways to improve local transit, including bus and light rail.

The General Assembly must quintuple the state's anemic funding — less than 1 percent of the state budget — for transit programs, take advantage of flexible federal funding, embrace the recommendations of the Transit 2001 Commission (its final report is to be published Jan. 10) and create a dedicated source of revenue to make public transportation a major contributor to solving the state's problems — not just a bit player.

Act to preserve N.C. environment

6 Protect North Carolina's environment: Unless we take the right steps now, we run the risk, as the Sierra Club puts it, of "arriving at a place we do not like, that we barely recognize, and that has lost its special aspects, a place we would rather not be." Among those steps:

- The state must maintain and strengthen its model coastal protection program by making sure that

Coastal Resources Commission appointees are committed to rules against seawalls and jetties that cause damage to coastal neighbors. The state must provide more resources to state and local regulators, and halt direct and indirect subsidies for building in storm-threatened areas.

- The General Assembly must help restore the state's fisheries by creating a new saltwater fishing license to help pay for conservation programs, expanding staff of the Division of Marine Fisheries and limiting the number of commercial fishers.

- The Environmental Management Commission must adopt effective rules on agricultural, industrial and municipal discharges in the Neuse River in Eastern North Carolina. These rules may be the prototype for other N.C. rivers, and the EMC must do this job right. The 1997 legislature must take further steps to clean up eastern waterways, including prohibiting new livestock operations in floodplains.

- And both the General Assembly and the Hunt administration must pursue recommendations of the Year of the Mountains Commission to preserve scenic vistas on the Blue Ridge Parkway, pursue stringent air pollution standards with the EPA and other states and help local governments pursue effective planning.

Adopt the plan for fixing courts

7 Fix the courts: In a poll sponsored by the Commission for the Future of Justice and the Courts, only 38 percent of the respondents had a favorable impression of the N.C. court system. Those with personal experience in the courts gave lower marks.

So what can be done? The commission offers the most sweeping changes in 40 years. The plan prepares the state for the next century and ought to be approved. Among the highlights:

- Judges would no longer be elected. Instead, the state would use a merit system. Local citizen panels would nominate judges for appointment and recommend to voters whether judges should be retained.

- For efficiency, superior and district courts would be merged to form trial courts called "circuit courts," grouped in 12 to 18 circuits.
- Family courts would be created to handle divorce, child custody, spouse abuse and other domestic cases.

Faith in the justice system needs a spark. It will be up to citizens to remind their legislators they want a better, modern court system and a more responsive judiciary.

Trim the power of rules panel

8 Curb the power of the Rules Review Commission: If you've ever complained about runaway rules and regulations, you will understand why the legislature in 1996 rode a wave of anti-regulatory sentiment and enacted a law to tighten oversight of N.C. rule-making.

But the legislature went too far when it bestowed upon eight relatively unknown citizens veto power over rules drafted by state agencies. The Rules Review Commission had been around for 10 years, reviewing rules in the same way an English teacher grades essays, checking for clarity and statutory authority, for example. Thanks to the 1996 law, the commission can now operate like a judge, with the ability to kill a rule. Already, the panel has signaled its disdain for wetlands rules that were four years in the making. Environmentalists worry that rules to clean up the Neuse River will not find a receptive audience at commission headquarters.

The legislature has always had the ability to reject any rule it didn't like. It should retain that power, and not delegate it to an obscure commission.

This year, legislators should scale back the authority of the Rules Review Commission. To allow the commission to continue operating as a little court is a violation of the principle of separation of powers and a disservice to citizens who can't afford to hire lobbyists to plead their case before an unelected panel.

Attend to needs of UNCC, CPCC

9 Don't starve UNCC, CPCC: Last spring a consultant confirmed that UNC Charlotte doesn't get its fair share of state money. The shortfall amounts to more than \$20 million for UNCC and four other UNC campuses: Appalachian State University, East Carolina University, UNC-Greensboro and UNC-Wilmington. UNCC alone is underfunded more than \$5 million. The legislature corrected part of the formula for the future and approved a \$2 million temporary increase for UNCC. Now the Board of Governors is asking for \$21 million to fix past inequities and for approval of a change in how growth is funded.

North Carolina doesn't gain by starving any of its campuses. For the Charlotte region, UNCC is crucial — whether the subject is the research and new doctoral programs so important to industry or the availability of classes for adults seeking degrees or advanced training.

Central Piedmont Community College is also vital — whether supporting vocational programs in the high schools, providing academic and occupational training for young people, training workers for specific jobs or offering the classes that adults need for life and work.

CPCC, part of the successful but traditionally underfunded N.C. system of community colleges, also struggles with formulas that do not meet its needs. The legislature ordered a study of funding in the community college system. Now lawmakers need to make sure that the budget responds.

Remember life starts before age 5

10 Don't forget the children: Public schools must remain the state's top priority. But life doesn't wait until children are old enough for kindergarten. Until public policy recognizes that, thousands of children will start school dangerously far behind — with all that means for academic failure, crime rates and prison construction.

The state needs to continue to expand the Smart Start program. It needs to upgrade day-care standards and require an adequate number of adults to supervise young children. It needs to listen when people like Charlotte-Mecklenburg Superintendent Eric Smith and new N.C. Superintendent Mike Ward talk about preschool programs.

Not every young child needs the state's help, but many do. We all suffer when they don't get it.

JOINT APPROPRIATIONS TRANSPORTATION SUBCOMMITTEE

Minutes

April 2, 1997

Room 1328 LB

The Joint Appropriations Transportation Subcommittee met on April 2, 1997 in Room 1328 of the Legislative Building. All five of the Senate members were present. The House members attending were:

Rep. Joanne Bowie

Rep. Ed McMahan

Rep. Thomas Hardaway

Rep. Mary McAllister

Rep. Jerry Dockham

Rep. Jim Gulley

Rep. Bill Hiatt

Rep. Drew Saunders

Rep. Ronnie Sutton

Senator Luther Jordan chaired the meeting. The meeting was turned over to Mr. Karl Knapp, staff. Mr. Knapp distributed a list of all expansion requests. Mr. Knapp introduced Carol Simon, DMV Budget Officer and Wayne Hurter, also from DMV. Mr. Knapp continued discussing the budget requests, see page 91 of the budget summary, (attached) item #10. Mr. Hurter stated that nothing is proposed for next year until staffing study is complete. Mr. Knapp continued through item # 12.

Rep. Hiatt wanted to know how money was safeguarded after hours. Mr. Hurter said safes are installed in 2/3 of the offices and the remaining offices will have safes installed. Rep. Bowie asked how money had been safeguarded before, Mr. Hurter said the officers had to safeguard the money themselves. In response to a question by Rep. Hardaway, Mr. Hurter said they had experienced some losses, an examiner was robbed and murdered in Mt. Olive.

Col. David Richards of DMV spoke regarding scales, see item 13, page 93. In response to a question from Rep. McAllister, Col. Richards said they are phasing in replacement scales for the old ones which were purchased in 1985. Again, in response to Rep. McAllister, Col. Richards explained how the scales are used. Rep. McMahan wanted to know how many violations had occurred. Col. Richards said 20,000 citations had been issued last year.

Ms. Carol Howard of DMV said 128 offices plus the Raleigh offices have new computer equipment to use with STAR system. Rep. Hardaway said to make sure that there are sufficient safes. Mr. Hurter said safes will go in all full time offices and in the ones being renovated.

Mr. Paul Roberts, DMV, MIS Director was introduced. He handed out a four page Legislative Brief regarding STARS (State Automated Titling & Registration System). In the budget summary, refer to page 90, items 2 & 3. This engendered a great deal of discussion. Mr. Knapp said that last year, DMV requested \$2 million for STARS and it was made non-recurring. Mr. Roberts said that it is hard to keep programmers and

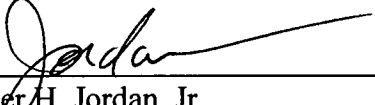
therefore contractor support is needed. After several questions regarding justification of the request, Mr. Roberts stated that North Carolina is leading the pack, Washington state has spent \$67 million, Oregon has spent \$70 million and their system is not working. We are spending \$15 million and it is working. There followed a great deal of discussion re support. Rep. McMahan concluded that support is necessary and he wanted to know about the vendor. Duane Smith of DOT-MIS said an RFP was issued to 250 bidders which were then reduced to three. CACI was the low bidder, and they are experienced. They have 12 people full time and overruns are not necessarily a problem. Mr. Roberts continued the discussion, see item 3, page 90. He then moved to page 96, item 19. Rep. Bowie wanted to know why the cost is increasing. Mr. Smith said the money is to develop and implement, they do not know how much will be needed for support. The system will be purchased in the second year. The first year is for design. Mr. Roberts moved on to page 97, item 20.

Mr. Cameron Lee, DOT Operations Engineer, was introduced. Mr. Lee spoke regarding item 18, page 96, Complex Design and Construction. In response to Sen. Reeves, Mr. Lee stated it was not yet known where the DMV new complex would be located, but perhaps on Edwards Mill Road extension. In response to a question by Rep. Dockham, Mr. Lee said all customer services and operations of DMV would be included. In response to another question, Mr. Lee said the \$650,000 allocated for this purpose last year has not been used.

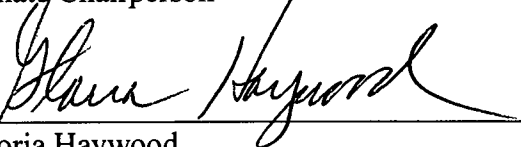
Mr. Karl Knapp then handed out the Fiscal Impact of the Graduated License Bill. He also handed out Driver License Office Staffing Requirements, which he reviewed. He stated that based on last year's performance DMV should consolidate some functions. Mr. Hurter said they will consolidate in Lexington. Some existing offices are being closed. Mr. Knapp completed his review of the office staffing requirements and stated it had been presented for consideration only and there is no request in the budget.

Mr. Knapp then handed out one sheet regarding the Branch Agents, License Plates & Stickers as well as Driver License Photo Equipment.

As it was now 10:00 A.M., Senator Jordan adjourned the meeting, to continue April 3, 1997 at 8:00A.M.



Senator Luther H. Jordan, Jr.
Senate Chairperson



Gloria Haywood
Senate Committee Clerk

JOINT APPROPRIATIONS

TRANSPORTATION SUBCOMMITTEE

April 2, 1997

Agenda

Expansion Budget Review

Karl Knapp, Staff

1. DMV Requests

Carol Simon, Budget Officer
DMV

2. MIS Requests for DMV Systems

Paul Roberts, MIS Director
DOT

- Support for Vehicle Registration System
- Support for Driver License System
- Collision Reports Reengineering
- International Registration Plan

3. DMV Complex

Cameron Lee
State Operations Engineer, DOT

4. Additional DMV Issues

- Graduated Driver License
- Driver License Office Study
- Branch Agent Commissions
- Licenses and Stickers
- Digitized license Costs
- Emissions Program

5. Billboard Report

Larry Goode
State Highway Administrator
DOT

N.C. State Budget, 1997-99: Summary of Recommendations
Transportation - Continued

Table 9
Condition of the Highway Fund, 1997-99

	<u>1995-96</u> <u>Actual</u>	<u>1996-97</u> <u>Estimated</u>	<u>1997-98</u> <u>Recommended</u>	<u>1998-99</u> <u>Recommended</u>
Beginning Credit Balance:				
Appropriation Reversions	\$ 23,367,063	\$ 13,417,179	\$ 12,500,000	\$ -
Overrealized Revenue	<u>16,632,116</u>	<u>26,314,401</u>	<u>28,909,000</u>	<u>-</u>
Sub-Total	\$ 39,999,179	\$ 39,731,580	\$ 41,409,000	\$ -
Appropriation Reserves	31,715,638	29,988,558	-	-
State Highway Revenue	<u>1,049,542,401</u>	<u>1,112,918,000</u>	<u>1,119,245,000</u>	<u>1,138,617,000</u>
Total Availability	\$ 1,121,257,218	\$ 1,182,638,138	\$ 1,160,654,000	\$ 1,138,617,000
Expended and Committed	1,051,537,080	1,141,229,138	1,160,654,000	1,125,792,584
Appropriation Reserves	<u>29,988,558</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Credit Balance	<u>\$ 39,731,580</u>	<u>\$ 41,409,000</u>	<u>\$ -</u>	<u>\$ 12,824,416</u>

3. Highway Fund Budget Changes

The continuation budget document contains requirements totaling \$1,082,397,705 and \$1,087,670,091 for the two years of the 1997-99 biennium. The remaining availability is recommended for expansion items.

Table 10 contains the recommendations for Highway Fund Appropriations for the 1997-99 biennium. Changes which are not included in the Continuation Budget Recommendation for operations are as follows:

Department of Transportation

Recommended Expansion:

Transportation Administration

1. Support for Year 2000 Conversion (MIS)

This request is for contract personnel to provide technical support for the Year 2000 Conversion. Without this funding most of the computer systems within the Department of Transportation will not operate after January 1, 2000. Examples of some systems that will not operate are Payroll, Accounts Receivable, BIDS, and Purchasing.

	<u>1997-98</u>	<u>1998-99</u>
	\$ 4,835,000	\$ 5,575,000

N.C. State Budget, 1997-99: Summary of Recommendations
Transportation - Continued

2. Support for Vehicle Registration System (MIS)

This request is for contract personnel to provide technical support to the new Vehicle Registration System (STARS). Without this funding, this expense would have to be funded from other budget sources in the MIS budget.

<u>1997-98</u>	<u>1998-99</u>
\$ 1,200,904	\$ 600,457

3. Support for Driver License System (MIS)

This request is for contract personnel to provide technical support to the Driver License System. This will provide daily support to the system, as well as developing enhancements to the system requested by the Driver License Section. In addition, contract personnel will provide ongoing technical support and enhancements for the digitized driver licenses, the Driver License mobile units, and the Deadbeat Parents initiatives.

562,470	421,852

Total Transportation Administration

\$ 6,598,374	\$ 6,597,309

Transportation Construction and Maintenance

4. Maintain the State's Roads and Highways

Department engineers estimate that approximately \$130 million is needed each year to resurface roads on a schedule that preserves the integrity of the pavement and enhances highway safety and comfort. This request would bring the annual appropriation closer to that figure.

20,984,255	-

5. Capital Facilities Improvements

This request will provide a reserve fund to finance small capital improvements.

12,000,000	-

6. Transfer Welcome Centers to Highway Fund

A savings to the General Fund will occur if the eight welcome centers, currently located in the Department of Commerce, are transferred to the Department of Transportation (Highway Fund). By transferring the welcome centers to the Department of Transportation, which already provides security and upkeep of the facilities and grounds, the centers and rest stops may be operated by one department providing opportunities to enhance cost effectiveness and efficiency.

1,400,000	1,400,000
42.0	42.0

Number of Positions

N.C. State Budget, 1997-99: Summary of Recommendations
Transportation - Continued

	<u>1997-98</u>	<u>1998-99</u>
7. Public Transit - Sales Tax Elimination Funds		
This is to request that the amount currently being transferred to the General Fund in lieu of the department paying sales tax on purchases be eliminated and the funds be used to enhance mass transit across the state.	\$ 12,600,000	\$ 13,400,000
8. Public Transit - Additional Enhancement		
Funding from the Highway Fund is requested to provide additional enhancement of the mass transit program in the department. This will bring the expansion budget total support for mass transit from the Highway Fund to \$26 million. In addition, \$10 million in Federal Funds will be devoted to this program, making a total expansion recommendation of \$36 million.	13,400,000	12,600,000
9. Reduction in State Funds to Match Federal Aid Construction		
This is to request that a reduction be made in the amount of Highway Fund Appropriation used to match Federal Aid Construction funds.	-	(15,205,951)
Total Transportation Construction and Maintenance	\$ 60,384,255	\$ 12,194,049
Total Number of Positions	42.0	42.0

Division of Motor Vehicles

- 10. Implement a Driver License Automated Testing System**
 Currently the Driver License Section conducts knowledge tests of customers (both classified and commercial) by providing the test on paper, which the customer completes at a desk and the examiner then scores. The Driver License Section would like to implement automated testing in which the customer does his/her test on a computer screen. The testing machine automatically tells the customer his/her errors, and provides the correct answer immediately in order to help the customer learn the right answer. As soon as the customer passes the test, the testing machine instructs the customer to go to an examiner to complete his transaction.

N.C. State Budget, 1997-99: Summary of Recommendations
Transportation - Continued

	<u>1997-98</u>	<u>1998-99</u>
Implement a Driver License Automated Testing System - Continued		
Automated testing provides several advantages: (1) frees up the examiner from scoring tests; (2) avoids potential for examiner error in scoring tests; (3) since test questions are randomly generated, chances of any two tests being exactly the same are rare, making it almost impossible to cheat; (4) machines can be programmed to handle oral tests for illiterate customers using headphones, avoiding a lengthy testing process for the examiner; (5) system can handle more than one language; (6) the screen uses graphic images with each test question, making it easier for the customer to understand the question and the driving situation that is being asked.		
The testing equipment would be installed in 10 offices each year. The offices selected will be the busier offices in the state.	\$ 270,000	\$ 260,000
11. Renovate 11 Driver License Offices		
Currently, 11 driver license offices are being renovated with funds approved by the 1995-96 General Assembly Session. The Driver License Section proposes to renovate an additional 11 offices to provide improved customer service, safer work conditions, and improved productivity. In particular, the enhancements would include the installation of privacy panels for the work stations, use of customer reception counters at the front, better waiting facilities, and the use of sound-deadening materials to decrease noise.		
Offices targeted for renovation in this cycle of improvements are East Greensboro, Asheboro, Clyde, Concord, Greenville, Monroe, Morehead City, Morganton, Rocky Mount, Taylorsville and Whiteville. Offices were selected based on serious customer service problems with the existing facilities.	494,722	-

N.C. State Budget, 1997-99: Summary of Recommendations
Transportation - Continued

	<u>1997-98</u>	<u>1998-99</u>
12. Implement Automated Customer Queuing System Automated queuing systems provide improved customer service and provide management with information for monitoring productivity. The automated queuing system gives the customer a number, based on the particular service required (renewal, original license, etc.) and indicates to the customer the expected length of time before the customer is served. When the customer's turn comes, the system, by sign and sound system, calls the customer to the appropriate line for service. The system eliminates the need for the customer to stand in line and allows the customer to take care of any other business before the approximated time when he will be served. The system also provides onsite management (as well as district management or headquarters management) with real time information on the number of customers in line, the number of examiners on duty, the length of time customers may have to wait, the efficiency of individual examiners in serving customers, etc. This can help management make decisions about reassigning staff to alleviate customer service problems. The queuing systems would be installed in 20 sites with the heaviest customer service demands.	\$ 369,500	\$ 39,500
13. Additional DMV Enforcement Equipment Fifty sets of portable scales are needed to replace old outdated MD-500 scales. The PAT scales, which are being requested, are 1/3 lighter than the MD-500 scales; therefore, reducing the risk of back injury to the officer. These new scales are low profile portable scales; therefore, motor carriers have an easier time advancing to and descending from the scale platform. Additional portable scales will enhance weight enforcement beyond the limitations of the permanent weigh stations. Also, these scales will be used at the permanent weigh stations when permanent scales are being repaired.		

N.C. State Budget, 1997-99: Summary of Recommendations
Transportation - Continued

1997-98

1998-99

Additional DMV Enforcement Equipment - Continued

Eight semi-portable axle scales will allow for temporary permanent weigh station operations in areas not equipped with permanent weigh stations. These scales are setup once and taken down once in a given area; therefore, enhancing the number of trucks that can be weighed in that specific area and at that time.

One hundred forty-one scale racks are being requested for DMV-Enforcement Officer's vehicles. These scales will help to reduce back injuries, workman's compensation claims, and time away from work due to work related injuries. This rack has been determined by DOT Safety Management to reduce back injury possibilities. An officer with these racks mounted in the truck of his patrol car can slide the scales from the car rather than bending over into the truck to lift them out. Scale racks will also reduce the likelihood of damage to the scales in automobile accidents and prevent the scales from otherwise shifting once they have been stabilized.

The final report of the Criminal Justice Information Network Study Group (CJIN) recommended that a statewide 800 MHZ network be established to meet APCO standards. The network will be called the Statewide Integrated Public Safety Radio Communications Net-work (SWIPS). Enforcement is requesting funding for 32 Motorola 800 MHZ portable radios to allow DMV Enforcement officers the ability to participate in this network and communicate with other state and local law enforcement agencies now on the system. These radios also will allow for communication when the enforcement officer is away from his/her patrol vehicle (traffic stop, rest area patrol, etc.).

\$ 814,630

\$

-

N.C. State Budget, 1997-99: Summary of Recommendations
Transportation - Continued

1997-98

1998-99

14. **Implement Changes in Driver Improvement Clinic**

The Traffic Safety section conducts the Driver Improvement Clinics mandated by G.S. 20-16. Statute requires the division to afford any driver who has accumulated as many as seven points or any driver who has accumulated four points within a three-year period immediately following reinstatement after a period of suspension or revocation the opportunity to attend a driver improvement clinic. Upon successful completion of the clinic, three points will be deducted from the driver's conviction record. A driver is limited to one deduction of points over a five-year period.

Currently, North Carolina offers the National Safety Council 6-Hour Defensive Driving Course. The class is conducted at night, requiring drivers to attend two hours each night for three nights, one week apart. Many drivers with convictions in other states, as well as convictions and suspensions within North Carolina, find it difficult to come out for three nights over a period of three weeks. In order to expand service to the public the division began a pilot program in April, 1996 in Raleigh offering the current six-hour course on a single weekday. Attendance far exceeded expectations. The six hour format is rather long for a single day, however, and the true essence of the course can be offered without detriment to the public in only four hours. Therefore, we would propose to shift to the National Safety Council 4-Hour Defensive Driving Course for all areas of the state. We feel that this will expand attendance and benefit those with short deadlines from courts in other states. The four hour course can be offered in the mornings and afternoons, as well as evenings and Saturdays, enabling drivers to complete the course in one visit.

\$ 53,600

\$ 18,500

N.C. State Budget, 1997-99: Summary of Recommendations
Transportation - Continued

	<u>1997-98</u>	<u>1998-99</u>
15. Purchase Service and Maintenance Equipment		
The Vehicle Registration Section is responsible for obtaining service and maintenance for the data processing equipment used by the Raleigh and Charlotte state offices, as well as for the equipment used by the 128 branch agents. Equipment includes display terminals, personal computers, printers, remittance processors, word processing equipment, scanners, and special telephone support. Warranties range from 90 days to five years depending on how equipment is bid and whether the vendor offers extended warranty contracts.	\$ 150,000	\$ 165,000
Total Division of Motor Vehicles	\$ 2,152,452	\$ 483,000

Reserves and Transfers

16. Computer Replacement Reserve		
A reserve is requested to be used by the department to replace outdated and unrepairable computers. Those computers that are replaced due to the need for more updated versions will be used in other areas of the department.	1,000,000	1,000,000
17. Reserve for Legislative Salary Increase		
Funds are requested to be placed in a reserve that will provide a 3% pay increase to <u>all employees</u> paid from Highway Fund appropriations.	12,569,514	12,569,514
18. Division of Motor Vehicles Complex Design and Construction		
Funds are requested to be placed in a reserve that will be used by the department for the design and construction of a new complex for the Division of Motor Vehicles operation.	1,000,000	14,698,021
19. Reserve for Collisions Reports Reengineering		
Funds are requested to be placed in a reserve to provide for the reengineering of the way data is collected relating to automobile accidents. The new design will allow electronic transmittal of data, improve customer service, and allow for the interface with the new Driver License System.	1,774,500	2,058,000

N.C. State Budget, 1997-99: Summary of Recommendations
Transportation - Continued

	<u>1997-98</u>	<u>1998-99</u>
20. Reserve for International Registration Plan Funds are requested to be placed in a reserve to provide for enhancements to the 1978 version of the International Registration Plan computer system through the purchase of equipment and professional services. The current system is outdated and can not accommodate any needed expansions.	\$ 1,270,600	\$ 1,766,000
21. Eliminate Reserve for Sales Tax Transfer This is to request that the reserve currently being used to transfer Highway Fund Appropriations to the General Fund in lieu of paying sales tax be eliminated. The elimination of this reserve will provide a source of funds to enhance mass transit across the state.	(12,600,000)	(13,400,000)
22. North Carolina Criminal Justice Information Network Funds are requested to be placed in a reserve to be transferred to the Department of Crime Control and Public Safety in support of the development and implementation of the North Carolina Criminal Justice Information Network.	4,106,600	156,600
Total Reserves and Transfers	\$ 9,121,214	\$ 18,848,135
Total Change for the Department of Transportation	\$ 78,256,295	\$ 38,122,493
Total Number of Positions	42.0	42.0

Legislative Brief: State Automated Titling & Registration System STARS

North Carolina Department of Transportation
Director: P.A. Roberts Program Manager: F.D. Smith

✧ System Description & Benefits

STARS is the State Titling and Registration System. The system allows real time processing of vehicle registrations and titles. The system improves the accuracy of registration data and reduces the data entry functions in the Department of Motor Vehicles (DMV) by moving the collection of data to the point of contact with the citizens. It streamlines the renewal process in the Tag Office and at DMV through the use of bar code technology. The system automates the fee computation for the Tag Offices and provides for same day processing of special plates. It automates daily transaction reporting for the Tag Offices and improves financial integrity of the system by integrating the Financial Security and Vehicle Registration systems. STARS ensures accuracy of vehicle characteristics by using a Vehicle Identification Number database. The system improves renewal reporting to county tax offices and includes a complete plate/sticker inventory system. The placement of this new system positions Vehicle Registration to increase service through the DMV Voice Response System (VRU). With this system, DMV now uses document imaging to store all documents and forms. The system is Year 2000 compliant.

✧ Current Status

As this is a new system, only three months old, there are many requests for changes and enhancements by users of the system. Overall the STARS system is performing well and as time progresses the system will only get better. We anticipate all change requests to be processed prior to July of 1997.

✧ Future Possibilities

The STARS system opens up new opportunities for DMV. DMV can look at registration renewal through the use of the telephone, ATM machines and increased mailing renewals. The system will allow DMV to move to a one stop shop with Driver Licenses, registrations and titles being processed by the same processor in one stop shop centers all over the state. Customers may use the VRU to get answers to questions and DMV can respond to concerns of the public.

✧ Savings Projections

To date, savings which STARS has produced are major reductions in staff for the Vehicle Registration section at DMV, an avoidance of future expansion of Registration staff, lowered cost of forms, more accurate information to make better business decisions and the ability to take advantage of new emerging technology.

✧ Development Cycle & Cost

STARS took three years to develop at a cost of 8.4 million dollars. With this change, DMV progressed from a system developed in the early 70's to a state of the art system. The old system was based on filling out manual forms and having the information entered through a central Data Entry Section at DMV headquarters. Mounds of paper was moved within DMV from section to section for inspection and correction before entry in the system. All paper was microfilmed. Large volumes of correspondence, produced through a central word processing section, were required to communicate with the customer to address problems with their information. The titles took from 3 to 4 weeks to produce (now they take 3 to 4 days). All fees had to be calculated by hand. The Tag Agents daily transaction reports had to be prepared by hand. Now, these items are automated.

Legislative Brief: State Automated Titling & Registration System STARS

North Carolina Department of Transportation
Director: P.A. Roberts Program Manager: F.D. Smith

✱ Cost Estimates

The STARS system was estimated to cost \$5,760,000.

Cutler/Williams developed the estimate in the cost benefit report delivered to the Legislature in April of 1993.

The project work began in March of 1994 and was scheduled to be implemented in December of 1995 (20 months).

The system took an additional year to develop due to the following:

- Adding of expanded functionality
- Extension of required client testing
- Stress testing of the system
- Statewide live system testing
- System performance improvements before implementation
- Parallel release of Digital Drivers License

The project was fully implemented on December 2, 1996 (32 months). CACI was the contractor for this project.

The actual cost to date to develop the system was \$8,395,259. This includes contractor labor, hardware and software.

The current request is for \$1,200,904 for 97-98 and \$600,457 for 98/99. These monies will be spent on contractor labor hours only in the operational support of the system.

Legislative Brief: State Automated Driver License System SADLS

North Carolina Department of Transportation
Director: P.A. Roberts Program Manager: F.D. Smith

❖ Description

SADLS is the State Automated Driver License System. This system allows real time issuance of Driver Licenses. All information to issue a Driver License is collected on-line by the examiner. If the driver has a problem (owes fees, has a problem in another state, is suspended) the system alerts the examiner who can share the information with the customer. The system sends the information to the digital imaging station where the license is produced. The information is updated immediately on the database.

If the customer wishes to register to vote or change his registration, the information is entered in the system by the examiner and the motor voter card is produced and signed by the customer. All fees for service is calculated by the system and balanced at the end of day. The deposit is printed by the system for the office deposit. The system allows entering and viewing of hearing schedules. The system leads the hearing officer through the hearing where information is captured real time and all forms are printed and signed during the hearing. Correspondence is generated as prompted by the system when a situation arises which written communication with the customer is required. All correspondence is stored for call back in the future. As citations are received electronically from the Administrative Officer of the Court (AOC), the knowledge-based portion of the system determines the adjudication of the driver based on prior problems, statute and policy. The system automatically checks the Problem Driver Pointer System (PDPS) for problems in another state for original drivers. The system checks CDL for commercial drivers. The system also updates these two systems with North Carolina driver information. The system allows inquiry by name or driver number to retrieve current driver info or driver history info. The system has a feature called "What if?" that tells the examiner what problem a driver has and what the driver has to do to solve his problem.

❖ Current Status

SADLS system is performing well. The system is Year 2000 compliant.

❖ Growth & Opportunities

The SADLS system opens up all types of new business opportunities for DMV. Without SADLS, we would not have been able to implement Digitized Driver License and Mobile Units. DMV can evaluate the issuing of duplicates and renewals by mail as well as the use of ATM technology to manage duplicates and renewals. Other possibilities include imaging of documents removing the paper necessity, moving the selling of Motor Vehicle Records (MVRs) to Driver License offices, look at one stop shop for Driver License issuance and registration of vehicles and use of a Voice Response Unit (VRU) to answer questions of the public. The savings which SADLS has produced are reduction in staff for the Driver License Section at DMV, avoided future expansion of Driver License staff, more accurate information to make better business decisions and the ability to take advantage of new emerging technology.

❖ History & Cost

SADLS took three years to develop at a cost of 4.6 million dollars. It moved us from a system developed in the early 70's to a state of the art system. The old system was based on filling out manual forms and having the information entered through a central Data Entry Section at DMV headquarters. The adjudication of Drivers was accomplished through the use of people making the decisions and sending the decision to data entry for placement on the system. A central word processing section accomplished all correspondence. There was no PDPS and the CDL sub-system was so poorly designed that it had to be completely re-engineered in SADLS. The inquiry system was limited and there was no "What If?" system.

Legislative Brief:
State Automated Driver License System
SADLS

North Carolina Department of Transportation
Director: P.A. Roberts Program Manager: F.D. Smith

⊗ History & Cost (continued)

The Driver License System was estimated to cost \$3,684,600.

Seltman, Cobb and Bryant developed the estimate in the cost benefit report delivered to the Legislature in May of 1992.

The project work began in February 1993 and was scheduled to be implemented in June of 1994 (16 months).

The system took an additional five months in development due to the following:

IBM Federal was the contractor. IBM sold the Federal Division to Loral in December of 1993. Loral failed to perform and the contract was terminated in April of 1994. The State assumed the project and finished it.

The project was fully implemented in December of 1994 (22 months).

The actual cost to develop the system was \$4,635,086. This includes contractor labor, hardware and software.

The current request is for \$562,470 for 97/98 and \$421,852 for 98/99. This request is for contractor labor hours in the operational support of the system.



The International Registration Program (IRP) is a Federally mandated registration program between all states, Canada and Mexico. The purpose of the program is to collect all fees from a commercial trucking firm or independent trucker for all states in which the trucks log mileage. The collection of the fees is based on the estimated mileage and past history mileage submitted by the trucker or trucking firm at the time of registration. Along with weight, mileage and other related data the IRP system calculates the amount of fees due a state by accessing the calculation formula for that state. The IRP system has to maintain the individual formulas for every state, Canada and Mexico. Once the fees are collected, they are distributed to all of the states in which the fees were collected for.

We are recommending the re-engineering of the IRP system for the following reasons:

- The current IRP system was developed in 1982 and is labor intensive to operate as well as very difficult to maintain.
- The current system is written in a programming language that is no longer supported by the industry.
- The system has no more capacity to make any enhancements.
- The system does not interface well with the new STARS system and must be re-engineered to cause a seamless interface.
- The system can not take advantage of the two major AAMVA initiatives:
- Estimated mileage: Mileage is determined from histories maintained by AAMVA, at their central site, and transmitted to the states electronically to validate mileage claims by the
- Electronic transfer of data and funds: States, through the IRP clearinghouse, can electronically transfer all funds collected for a state and also electronically receive all funds
- If we determine to do IRP staggered registration, the current can not be modified to accomplish this.
- The current system can not be modified to allow trucking firms to register their vehicles interactively with IRP. This is something the trucking firms are very interested in doing.
- The current system is not year 2000 compatible and will cost almost as much to make it compatible, as it will to re-engineer the system.

Taking a broad base look at what it would take to re-engineer a system of this size and complexity; our initial estimate is close to 3 million dollars. This includes all software development, client and support hardware, training and implementation.

We feel it is imperative that we begin the re-engineering of IRP as soon as possible. The rapid approach of the year 2000 and our commitment to the DMV Motor Vehicle Information System, we feel that time is of the essence.

The amount requested is \$1,270,000 for 97/98 and \$1,766,000 for 98/99. This is for contractor labor, equipment and software.

Legislative Brief: Collision System

North Carolina Department of Transportation
Director: P.A. Roberts Program Manager: F.D. Smith

The Collision System stores all information on an accident and reports that information to Driver License, Traffic Engineering, Governors Highway Safety Program, Highway Safety Research Center, Law Enforcement and sells copies of the accident report to the public. The information is entered into the system by means of a central data entry section at DMV headquarters. The accident report information is pre-inspected for correctness of information before the data is entered. The accident form is microfilmed and the microfilmed copy is retrieved and printed when the public makes a request for a copy of an accident report. Hearings are held for individuals who did not have insurance coverage on their vehicle with the possibility of loss of plate on their vehicle.

The current Collision System was developed in the late 1970's. This system is written in a software language that is no longer supported by the software vendor. There is currently no one on the MIS staff who fully understands the old system. Those individuals have retired.

We are requesting \$3,832,500 over the next two years to develop a comprehensive Collision System. The estimate is for contractor hours.

- This system will allow all Law Enforcement to submit accident information directly to the Collision system. The Highway Patrol is currently piloting hand held computers that allow them to capture the accident information and electronically transmit the information to the Collision system. Unfortunately, the current Collision system can not accept this information.
- We plan to implement a document imaging system that would store and retrieve Accident Reports. The document retrieval process will be integrated with the Motor Vehicle Information System so that the actual accident report can be viewed when you are looking at Driver History and detect an accident. In addition, if you are viewing vehicle data and you want to see the accident report that this vehicle was involved in, it can be done simultaneously. This would also hold true for Law Enforcement, as they would have the ability to view the actual accident report interactively. Traffic Engineering would also have the ability to view the accidents on line. It would also put DMV in a position to sell accident report at DMV offices across the State instead of only DMV headquarters.
- Implement a fully automated hearing function. This function would allow Collision Hearing officers to conduct hearings interactively, allow for the scheduling of hearings, automatically generate correspondence based on knowledge based business rules and automatically interface with STARS and Driver License to revoke and reinstate privileges.
- Implement seamless interfaces between the new Collision System and the Traffic Engineering CADD system, Law Enforcement Systems, new Driver License system and the new STARS system.
- Ensure that the new Collision system is year 2000 compatible.
- Develop the system in software languages and databases that have an ensured future of vendor support.

Governor's Expansion Request	<u>1997-98</u>	<u>1998-99</u>
—► Public Transit	\$26,000,000	\$26,000,000
—► Eliminate Sales Tax Transfer	(\$12,600,000)	(\$13,400,000)
3% Pay Raise	\$12,569,514	\$12,569,514
—► Maintenance	\$20,984,255	...
—► Capital Improvements	\$12,000,000	...
—► Year 2000 Conversion	\$4,835,000	\$5,575,000
CJIN	\$4,106,600	\$156,600
—► Welcome Centers	\$1,400,000	\$1,400,000
Driver License Automated Testing	\$270,000	\$260,000
Renovate 11 Driver License Offices	\$494,722	...
Driver License Customer Queuing	\$369,500	\$39,500
DMV Enforcement Equipment	\$814,630	...
Driver Improvement Clinics	\$53,600	\$18,500
Registration Equipment Maintenance	\$150,000	\$165,000
STARS Support	\$1,200,904	\$600,457
Driver License System Support	\$562,470	\$421,852
Collision Reports Reengineering	\$1,774,500	\$2,058,000
IRP Software Improvements	\$1,270,600	\$1,766,000
Computer Replacement Reserve	\$1,000,000	\$1,000,000
DMV Building	\$1,000,000	\$14,698,021
Federal Aid Match	...	(\$15,205,951)
Total	\$78,256,295	\$38,122,493

DRIVER LICENSE OFFICE STAFFING REQUIREMENTS

Fiscal Research Division Presentation To The
Joint Transportation Appropriation Committee

April 2, 1997

DRIVER LICENSE OFFICE STUDY

The 1996 budget act included a provision requiring that the Department of Transportation:

- A. Develop a formula to determine the number, location, and staffing of Driver License Field Offices within the State.
- B. Use this formula to develop a five-year plan for changes in the number and sizes of Driver License Field Offices that recognizes the need for the development of larger, multifunctional Driver License Offices that provide a wider range of services at centralized locations and to provide for renovation of existing of Driver License Field Offices that will be retained.

STAFFING FORMULA

In response to the first charge listed above, DMV developed the following formula:

$$\frac{\text{\# of projected customer transactions / transactions per examiner day}}{\text{\% of time an examiner is available for transactions}} = \text{Examiners}$$

Projected transactions - Set at 33.5 percent of the projected population of the State for a given year. Percentage is based on historical data

Number of transactions per examiner - Set at 8,375 per year. Figure is based on a study of examiner workload and transaction times.

Percentage of time that an examiner is available to perform transactions - 68.8 percent. Percentage is based on days lost to leave and time required to fill vacant positions.

Using the formula, DMV has determined that it requires an **43 examiners** above the current level to adequately perform the current workload, and that an additional **14 examiners** are required to meet workload increases by 2000.

OFFICE LOCATION STANDARDS

DMV believes that it can reduce the position requirements by 13 positions through the consolidation and closure of existing offices and by making changes to the process of giving tests for Commercial Driver Licenses (CDL).

To determine which existing offices should be closed or consolidated, DMV set standards for office staffing, placement, and space that included the following:

Offices should range in size from 3-10 examiners.

Offices should be at least 30 miles or 30 minutes from each other, and not more than 50 miles or 50 minutes from customers.

There should be at least one full-time office per three contiguous counties.

Each office should have 500 square feet per examiner.

Each office should have sufficient parking spaces to handle peak hour requirements.

Offices should be in leased space as much as is practical in order to provide flexibility for future growth.

Based on these standards, DMV developed a plan that includes the closure of 25 offices, use of mobile units at sites 17 sites, and increases in staffing at some of the remaining 101 permanent offices.

PROPOSED DRIVER LICENSE OFFICE CHANGES

<u>City</u>	<u>County</u>	<u>Positions</u> <u>1997-98</u>	<u>Positions</u> <u>1998-99</u>
Belhaven	Beaufort		M
Windsor	Bertie	-0.6	C
Edenton	Chowan	-0.4	C
Hatteras	Dare		M
Gatesville	Gates		M
Snow Hill	Greene		M
Swan Quarter	Hyde		M
Williamston	Martin	2.0	
Hertford	Perquimans		M
Farmville	Pitt		M
Greenville	Pitt	1.2	
Columbia	Tyrrell		M
Plymouth	Washington	-0.8	C
Tabor City	Columbus	-0.4	C
Havelock	Craven	-0.4	
Trenton	Jones	-0.1	C
Wilmington West	New Hanover	1.2	
Midway Park	Onslow	1.0	
Bayboro	Pamlico		M
Burgaw	Pender	-0.4	C
Scotland Neck	Halifax	-0.2	C
Rocky Mount	Nash	1.0	
Jackson	Northampton		M
Warrenton	Warren	-0.2	C
Fayetteville East	Cumberland	1.0	
Fayetteville West	Cumberland	4.0	
Fort Bragg	Cumberland	-4.0	C
Fairmont	Robeson	-0.4	C
Pembroke	Robeson	-0.4	C
Red Springs	Robeson	-0.4	C
St. Pauls	Robeson		M
Clinton	Sampson	1.1	
Newton Grove	Sampson		M
Roseboro	Sampson	-0.1	C
Mount Olive	Wayne	-0.6	C
Durham East	Durham	1.0	
Durham South	Durham	2.0	
Creedmoor	Granville		M
Hillsborough	Orange	1.0	
Fuquay-Varina	Wake	2.0	
Wendell	Wake	2.0	

PROPOSED DRIVER LICENSE OFFICE CHANGES

<u>City</u>	<u>County</u>	<u>Positions</u> <u>1997-98</u>	<u>Positions</u> <u>1998-99</u>
Graham	Alamance	1.0	
Yanceyville	Caswell	-0.4 C	
Greensboro East	Guilford	2.0	
Greensboro West	Guilford	1.0	
High Point	Guilford	1.0	
Eden	Rockingham		-1.0 C
Madison	Rockingham		-1.0 C
Reidsville	Rockingham	1.0	2.0
Walnut Cove	Stokes	-0.2 C	
Concord	Cabarrus	2.0	
Gastonia	Gaston	1.0	
Charlotte North	Mecklenburg	-1.0	
Columbus	Polk		M
Forest City	Rutherford	1.0	
Monroe	Union	3.0	
Hickory	Catawba	2.0	
Denton	Davidson		M
Lexington	Davidson	5.1	
Thomasville	Davidson	-2.0 C	
Statesville	Iredell	1.0	
Salisbury	Rowan	1.0	
Sparta	Allegheny	-0.4 C	
Jefferson	Ashe	0.4	
NewMand	Avery		-0.6 C
Spruce Pine	Mitchell		1.6
Burnsville	Yancy		-1.0 C
Asheville East	Buncombe	1.0	
Haynesville	Clay		M
Robinsville	Graham		M
Sylva	Jackson		-1.0 C
Bryson City	Swain		1.0

FUNDING REQUIREMENTS

30 additional examiners to meet current workload	\$1,050,000
Additional lease costs	112,500
Equipment	220,000 NR
Renovation	<u>650,000 NR</u>
Total	\$2,032,500

In addition, 14 more examiners would be required to perform additional workload generated between 1997 and 2000. The annual cost for 14 examiners is approximately \$490,000, but all 14 examiners would not need to be added during the first year.

FISCAL IMPACT OF THE GRADUATED LICENSE BILL

	<u>FY 1997-98</u>	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>
HIGHWAY FUND					
Expenditures					
Examiners - Recurring	\$84,279	\$203,376	\$660,348	\$683,222	\$706,889
Examiners - Nonrecurring	20,865	28,595	110,333	0	0
Clerical Staff	0	496	6,126	6,309	6,509
Postage	0	136	1,632	1,632	1,632
Printing	0	8,161	8,161	8,161	8,161
Digitized Licenses	17,510	43,438	141,925	141,925	141,925
MIS Programming	<u>84,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total, Expenditures	\$206,654	\$284,202	\$928,524	\$841,248	\$865,116
Revenues					
Learner's Permit Fees	\$147,770	\$253,320	\$253,320	\$253,320	\$253,320
Motorcycle Learner's Permit Fees	18,960	33,950	35,000	35,000	35,000
Provisional License Fees	<u>0</u>	<u>85,010</u>	<u>1,020,150</u>	<u>1,020,150</u>	<u>1,020,150</u>
Total, Revenues	\$166,730	\$372,280	\$1,308,470	\$1,308,470	\$1,308,470
Highway Fund Availability	-\$39,924	\$88,078	\$379,946	\$467,222	\$443,354
Positions:	3	7.02	22.24	22.24	22.24

BRANCH AGENT COMMISSIONS

This item is the cost of payments to vehicle registration branch agents for completing title and registration transactions. Expenses are dependent upon consumer demand for title and registration services, and expenses are expected to increase above the continuation level. In the past, any available receipts and excess funds in DMV were used to cover expenses above what was budgeted. New budget transfer limitations will eliminate this funding option. DMV projections of spending requirements indicate that an 8 percent growth rate would lead to an additional 1997-98 requirement of \$2,565,263 and an additional 1998-99 requirement of \$3,633,359.

LICENSE PLATES & STICKERS

This item is the cost of providing new licenses and stickers for additional vehicles registered in the State. Expenses are dependent upon consumer demand for plates. In the past, any available receipts and excess funds in DMV were used to cover expenses above what was budgeted. New budget transfer limitations will eliminate this funding option. Actual funding requirements are expected to be above the continuation level. DMV projections of spending requirements based upon a 4 percent growth rate indicate additional requirements of \$226,291 in 1997-98 and \$392,763 in 1998-99.

2524 DRIVER LICENSE PHOTO EQUIPMENT

This item is the cost of lease payments for digitized driver license equipment. The level of lease payment is based on the number of transactions performed each year, so costs are dependent on consumer demand for driver licenses.. Costs are expected to increase above the continuation level. DMV projections of spending requirements based upon an 8 percent growth in transactions indicates that \$191,444 will be required in 1997-98 and \$399,598 will be required in 1998-99.

VISITOR REGISTRATION SHEET

APPROPRIATIONS-DEPARTMENT OF TRANSPORTATION

Committee

41-2-97

Date _____

VISITORS: Please sign below and return to Committee Clerk

NAME	FIRM or AGENCY and ADDRESS
Hope Mazingo	DMV - Enforcement
B. M. CROSS	DMV ENFORCEMENT
PAUL ROBERTS	DOT MIS
DUANE Smith	DOT / MIS
Joseph Howard	DOT / MIS
John J. Harrison	DMV
Alvin J. Harrison	DMV STTS
Oale McNeil	SCENIC NC
Merilee Benton	NC DOT
Milton G. C. Fred	OSBM

**THE JOINT LEGISLATIVE
APPROPRIATIONS
SUB-TRANSPORTATION COMMITTEE**

**April 3, 1997
8 AM
ROOM 1327**

The Joint Legislative Appropriations/sub-Transportation Committee met in Room 1327 at 8 am on Thursday, April 3, 1997. **Representative Joanne Bowie** called the meeting to order. Visitor's Sheet attached.

Members Present:

Representative Joanne Bowie, Co-Chair
Representative Bobby Barbee
Representative Bill Hiatt
Representative Mary McAllister
5 Senators

Representative Jerry Dockham, Co-Chair
Representative Thomas Hardaway
Representative Jim Gulley
Representative Drew Saunders

Representative Bowie introduced **Karl Knapp, Fiscal Research Division**, who reviewed the **Department of Motor Vehicles (DMV) Emissions Program**. The Emissions Program supported by a fee charged for emissions inspections. The DMV has indicated that emissions inspector training needs to be provided through the nationally recognized emissions programs; also basic engine functions and repairs.

The EPA now requires the Division to have a program to block vehicle registration, if a vehicle has failed the emissions inspection or has not had the emissions inspection. Two million dollars has been appropriated to the Division to pursue the development of new software and equipment that will allow them to provide a registration block denial program.

Mr. Knapp indicated Staff has reviewed this Budget and believes it is an accurate reflection of future costs.

Colonel David Richards, DMV Enforcement Section, indicated there are thirty-six law enforcement officers and ten clerical staff in the Emissions Program, with two vacancies at this time.

Discussion took place.

Mr. Frank Pace, State Road Maintenance Engineer, Department of Transportation presented a **Billboard Report**. Mr. Pace indicated currently in North Carolina there are 8,400 billboards; 5,536 conforming signs (meeting all state and local regulations) and

Joint Appropriations/sub-Transportation Committee
April 3, 1997

2,883 non-conforming signs (do not meet all rules and regulations, but left in place via the "grandfather clause" (billboard in place for many years).

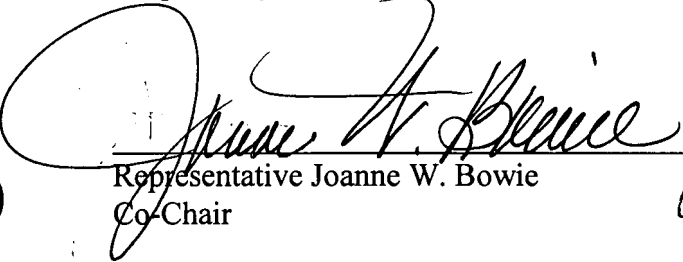
Discussion of the removal of vegetation around billboard sites. Mr. Pace indicated in 1995-96 one thousand and thirty-four permits were issued for legal removal of vegetation on right-of-ways, and twenty-nine reports of illegal vegetation cutting.

Mr. Pace next discussed expenses incurred in regulating the program. In the fiscal year 1994-95 the receipts exceeded the expenses by approximately twenty-five thousand dollars; however, in fiscal year 1995-96 it cost the Department approximately twelve thousand dollars.

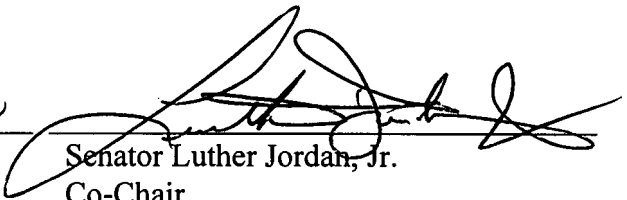
Discussion took place.

Meeting adjourned at 8:30 am.

Respectfully submitted:



Representative Joanne W. Bowie
Co-Chair



Senator Luther Jordan, Jr.
Co-Chair



Sharon A. Gaudette
Committee Clerk

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Sub-Committee Transportation
Name of Committee

4-3-97
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

Hope Mazingo	NC DMV - Enforcement
Milton G. Alford	OSBM
DAVID C. RICHARDS	DMV ENF.
Barry Cross	DMV ENF.
Carol Simon	DOT
Wayne Stallings	DOT
W. W. B. B. B.	NC STR
Jerry Amoswood	Dmv
Paul Stewart	COPS
Major Gen. Ake	STHP.
T. Paul	DOT
PAUL ROBERTS	DOT
Oala Mathel	SCENIC NC
Ruth Sappie	DOT

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Sub-Committee Transportation

Name of Committee

4/3/97

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

Dale G. Gustafson

NC STATE Highway Patrol

Capt. ~~W.B.~~ Davis

N.C. STATE Highway Patrol

W. H. Under

NC DnaC

Maurice Benton

MC DOT

William C. Brownell

NC Farm Bureau

Anna C. Braswell

Rowan County

Laura Delmas

CAPS

DAVID HERLONG

State Planning

Howard Moore

Dunkin' Donuts Food Bureau Reg. Comm.

Currod Laughinghouse

NS

FB Powell

Ad

Wade Finch - ~~Wade Finch~~

Senate Page

Matth Huzman

Senate Page - ~~100~~

**THE JOINT LEGISLATIVE
APPROPRIATIONS
SUB-TRANSPORTATION COMMITTEE**

and

**THE JOINT LEGISLATIVE
APPROPRIATIONS
JUSTICE AND PUBLIC SAFETY COMMITTEE**

**April 3, 1997
8:30 AM
ROOM 1327**

The Joint Legislative Appropriations/sub-Transportation Committee and the Joint Legislative Appropriations Justice and Public Safety met in Room 1327 at 8:30 am on Thursday, April 3, 1997. **Representative Joanne Bowie** and **Senator Wib Gulley** Co-chaired the meeting.

Transportation Members Present:

Representative Joanne Bowie
Representative Bobby Barbee
Representative Bill Hiatt
Representative Mary McAllister
5 Senators

Representative Jerry Dockham
Representative Thomas Hardaway
Representative Jim Gulley
Representative Drew Saunders

Justice & Public Safety Members Present:

Representative Larry Justus
Representative Joe Kiser
Representative David Redwine
Representative Ronnie Smith

Representative Paul McCrary
Representative Theodore Kinney
Representative Wayne Sexton
4 Senators

Representative Bowie welcomed the members of the Justice & Public Safety Committee and introduced the Co-Chairs, Senator Wib Gulley, Representative Larry Justus, Representative Greg Thompson and Representative Joe Kiser.

Mr. Richard Moore, Secretary of the Department of Crime Control & Public Safety and Chair, Criminal Justice Information Network (CJIN) Governing Board spoke to

the Committee. Mr. Moore indicated that the goals of CJIN are: 1) establish a network of information to share with agencies Statewide, and 2) to provide appropriate safety to all law enforcement agents (*see attachment I*).

Mr. Ron Hawley, Assistant Director, NC State Bureau of Investigation and the Vice-Chair, CJIN Governing Board also spoke. Mr. Hawley explained the project objective of CJIN: *"To identify alternatives for development of a statewide criminal justice information network that will enable a properly authorized user to readily access and effectively use information regardless of its location in national, state or local databases."* Mr. Hawley also explained the CJIN Findings and Recommendations (*see attachment II. Pg. 1-7*).

Discussion took place. **Representative Kiser** asked about the cost to local governments to connect to CJIN. **Secretary Moore** stated if the local governments decide to connect there would be a monthly charge.

Senator Jordan asked if any other law enforcement agencies would be tied into CJIN besides the Highway Patrol, SBI, Department of Corrections, and local law enforcement agencies. Mr. Hawley replied anyone could link to the system.

Senator Gulley asked if there are system architecture standards developed and in place for the items that the Department has asked to be funded? **Secretary Moore** indicated to the affirmative. **Senator Ballance** asked if criminal records checks would be added to the system. **Mr. Hawley** replied the system would have the ability to check warrants, but not criminal record checks. **Representative Justus** stated that North Carolina is a leader in the statewide CJIN. **Representative Bowie** asked if out-of-state people would be able to connect. Mr. Hawley replied, yes.

Representative Saunders expressed concern for the possible abuse of the information on CJIN, but stated he supported the system. **Senator Wells** asked how juvenile records would be protected on CJIN. Mr. Hawley replied a policy would be in place before the information was put on the data base. **Secretary Moore** added that the CJIN Board would not make that decision, it would be decided by the General Assembly. **Representative Kiser** stated it might be a good idea to be able to see who asks for the information and why they ask for it. Mr. Hawley responded that every effort is being made to do that.

Major George Ake of the Highway Patrol presented an update of the *Highway Patrol CJIN Activities*. He stated that I-85 and I-95 were funded last year and money could be saved because troopers could do the reports in their patrol cars. Wake County is in a pilot program and using computers in their cars to enter accident reports. Major Ake also stated the system promotes safety for the officer as he/she can tell whom they are stopping before he/she leaves the patrol car by doing a license plate check.

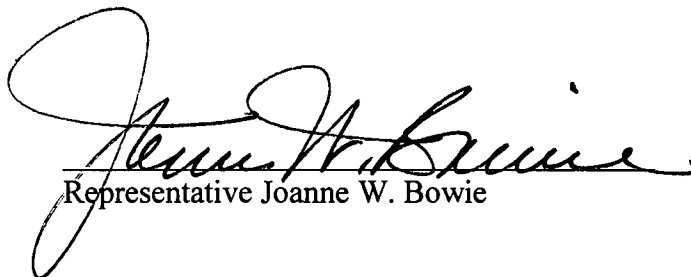
April 3, 1997

Captain Davis also presented an update to the subcommittees on the *Mobile Data System* (see handout III). Implementation of Phase I would allow coverage of 37% of North Carolina geographic area impacting 13 counties and 66% of the States population. This phase was funded from a two million dollar appropriation last year and a five hundred thousand dollar grant from the Governor's Crime Commission. Phase II would extend the covered area to 71%. The requested funding for Phase II is 2.4 million dollars from the State and five hundred thousand dollars from the Crime Commission. A 7.8 million dollar appropriation over five years would give the Mobile Data System coverage in all 100 counties in North Carolina. **Senator Ballance** asked if there would be a computer in every patrol car in five years? Mr. Davis indicated in five years approximately 11 hundred patrol cars would carry computer units in their vehicles.

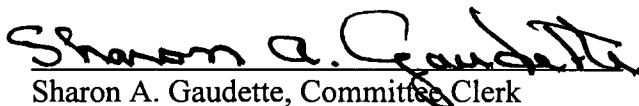
Representative Sexton asked how many towers were in place at this time. **Captain Davis** indicated in five years 154 towers would be in place; at a cost of \$75,000 each. **Senator Rucho** asked if the towers could be rented to private companies. **Captain Davis** indicated, no - but indicated discussion has taken place with other state agencies. Secretary Moore added that the Governor is very interested in private-public partnerships, and if possible, they would pursue the possibility of renting towers to private companies. **Senator Gulley** stated he felt state agencies should be asked first; then the private sector area could be pursued.

Next, **Major George Ake** reviewed the expansion budget requests with the Subcommittees (see handout IV).

Meeting adjourned at 10:00 a.m.



Representative Joanne W. Bowie



Sharon A. Gaudette, Committee Clerk

JOINT APPROPRIATIONS

TRANSPORTATION AND JUSTICE & PUBLIC SAFETY SUBCOMMITTEES

April 3, 1997

Agenda

Criminal Justice Information Network (CJIN)

1. Opening Remarks

Richard Moore, Secretary
Dept. Crime Control & Public Safety

2. CJIN Overview

Ron Hawley, Assistant Director
State Bureau of Investigation

3. Update on Highway Patrol CJIN Activities

Major George Ake
Highway Patrol

4. Expansion Request

Highway Patrol
Major George Ake

Dept. of Justice
Ron Hawley

The Criminal Justice Information Network Governing Board: A Report to the General Assembly

Contents in Response to Legislative Request:

- Long-term strategic plan and cost analysis
- Organization, operations, and expenditures of the Board, including
 - expenses incurred,
 - permanent staffing needs,
 - data sharing standards development, and
 - coordination and cooperation of State and local agencies
- Implementation of the mobile data network system, including
 - funds spent on the system, and
 - long-term costs of statewide implementation

LONG-TERM STRATEGIC PLAN AND COST ANALYSIS

At their initial meeting, the CJIN Governing Board agreed upon the following strategic plan: first, identify the current status of the various criminal justice information systems in the state; second, review the recommendations of the CJIN Study, conducted by Price Waterhouse in 1995; and third, establish a revised and updated plan of action. This three-step process facilitates the considerable learning curve of the Board members and provides a consensus roadmap for immediate and future implementation steps. Once this process has been completed, the Governing Board will be better equipped to make recommendations concerning logistic, administrative, and funding requirements of CJIN implementation.

To provide a long-term cost analysis, it is critical to first evaluate the expenditures made since the CJIN Study was completed. Two key areas of CJIN have developed significantly over the last two years: the Statewide Automated Fingerprint Identification System (SAFIS) and the Mobile Data Network System (discussed in a later section).

In most parts of the state, the positive identification of offenders can take several weeks, and it is possible that the offender will see a magistrate, be booked into jail and/or released on bond, be charged by the district attorney, meet with a public defender, and be through a first appearance in district court before information on previous criminal offenses is received.

The SBI's Division of Criminal Information (DCI) has responded to this problem, and North Carolina's SAFIS program, recognized as one of the best in the country, continues to be upgraded to expand the capabilities of the state's centralized automated fingerprint repository. At least 22 counties are now utilizing devices that capture and digitize fingerprint impressions and criminal

justice agencies in these counties can now electronically submit fingerprint impressions directly to DCI, producing a significant reduction in time and money spent on this process. Recognizing the superior value of capturing, submitting, and exchanging digitized fingerprints over manually submitting prints by mail (the CJIN Study Committee recommended positive offender identification in two hours or less), the SBI has taken a proactive role in preparing for the eventual implementation of the future statewide automated fingerprint system. This agency recently received a sizeable federal grant to continue implementing this technology, to establish a back-up SAFIS to expand the storage capacity of the repository, and to establish electronic connectivity to the FBI's national AFIS.

Figure 1: Location of SAFIS and Livescan Equipment

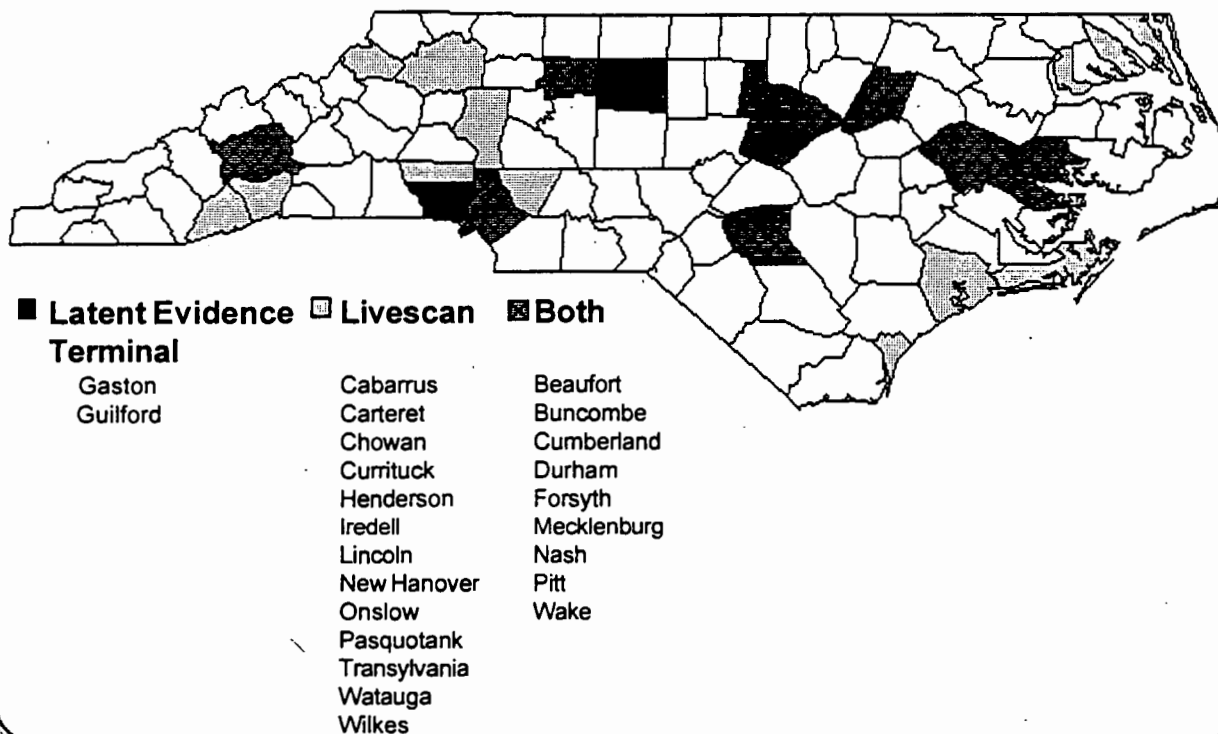


Figure 1 illustrates the counties that are in the process of or have been participating in the SAFIS. The figure indicates whether a county has a SAFIS latent evidence terminal, livescan device, or both a latent evidence terminal and a livescan. A livescan terminal allows for the capture and remote submission of livescan fingerprint cards to the SBI's SAFIS; whereas, a SAFIS latent evidence terminal allows for the remote search and verification of unsolved latent prints against the SBI's AFIS database. The counties with SAFIS-compatible livescans are already in the position to comply with the CJIN Study recommendation of having at least one livescan in each county capable of electronic submissions to DCI. The costs for these systems have come from local and federal sources.

Financial impact of a system that utilizes the most current technology is a major concern surrounding the development of this statewide information network. This is most pronounced among smaller agencies which are either completely unautomated or are in the early stages of incorporating information systems technology into the operations. The CJIN endeavor cannot succeed unless all local agencies, both large and small, are technologically compatible and capable of communicating and exchanging data in an automated fashion. Given the importance of making livescan technology more widely available, Governor Hunt's budget includes \$2,000,000 to continue the development of the Criminal Justice Information Network, particularly in the area of the SAFIS Project.

In part, state and local support for and commitment to CJIN will leverage federal block grant money for information technology throughout the state. The Information Systems Committee of the Governor's Crime Commission is committed to the CJIN project, and has diligently attempted to address the concerns of smaller agencies and reduce the financial and technological impediments that these agencies may encounter as they attempt to connect to a statewide criminal justice information network. Through this committee, over \$ 2 million Drug Control and System Improvement (DCSI) grant dollars has been awarded to more than 40 small law enforcement agencies during the past three years. These funds have enabled these agencies to acquire computers for either the first time or to upgrade their existing information systems. Numerous agencies have installed and implemented incident based crime reporting software and have used these grant funds to progress from paper based to automated record keeping systems that will place them in a more advantageous position for connectivity to CJIN as it continues to develop.

The CJIN Governing Board encourages the General Assembly to recognize that CJIN is a long-term investment, and that state and local agencies already are spending considerable funds on the issues addressed in the initial CJIN Study recommendations. The option, therefore, is not whether money will be spent on the criminal justice system, but whether the expenditures will be targeted, coordinated, and designed for the maximum benefit of users statewide. Delays in the implementation of the CJIN initiatives will only add to the fragmentation of the system, and make future connections even more difficult.

The option, therefore, is not whether money will be spent on the criminal justice system, but whether the expenditures will be targeted, coordinated, and designed for the maximum benefit of users statewide.

ORGANIZATION, OPERATIONS, AND EXPENDITURES

EXPENSES INCURRED

To date, \$1,250 has been spent on travel expenses for Board members; leaving a total balance of \$98,750 for the operations of the Governing Board. No expenditures have been made toward the data sharing standards project. The \$300,000 will be used to supplement and match a federal grant awarded this year from the Governor's Crime Commission. Only a small amount of money has been spent up to this point, due in part to the length of time needed to complete the Governing Board appointments. To date, all of the staffing functions have been conducted on a volunteer basis by state employees from CJIN affiliated agencies.

PERMANENT STAFFING NEEDS

In future CJIN Governing Board meetings, specific recommendations for permanent staffing will be considered, but at the very least, it is anticipated that an Executive Director will be needed to direct Governing Board meetings, coordinate and conduct field research, prepare legislative reports, write grants, conduct public awareness campaigns, provide technical assistance to local agencies, and any other duties as directed by the Governing Board.

The Governing Board will make its final recommendations for permanent staffing needs during the second session of the 1997 General Assembly.

DATA SHARING STANDARDS DEVELOPMENT

The CJIN Governing Board has just received a grant through the Information Systems Committee of the Governor's Crime Commission for \$559,860 to supplement the Data Sharing Standards Development Project funds provided by the North Carolina General Assembly last year.

A CJIN Governing Board committee comprised of representatives from local and state criminal justice agencies will be formed for data sharing standards development. The committee will establish a phased approach to compiling a data element dictionary and will solicit input from all concerned agencies. For adoption of the standards, participants in each phase must not only feel included, they must have confidence in the dictionary and recognize and understand the benefits that their organization will receive.

Once the committee is formed, a project manager and necessary staff will be retained to manage the progress of the data sharing standards project and to plan and facilitate the meetings of the committee. A consultant will be utilized to provide practical expertise and experience in the process of compiling a data dictionary and performance of the subsequent data audits that are necessary to measure effectiveness of processes, timeliness of disposition entry, and compliance of local agencies to reporting requirements. In order to avoid the view that data quality checks are a state mandate, local systems personnel will not only augment data sharing with exposure to other systems, but will drive the audit process.

This project forms the base from which all users will connect to CJIN. Today's telecommunications technology allows users to access disparate databases, but if the elements in these databases are not common, the information cannot be fully utilized by users from outside agencies. The subsequent stages of CJIN are dependent upon successful implementation of statewide standards. Dependent upon these standards are: Statewide Automated Fingerprint Identification System (SAFIS); Statewide Integrated Criminal History; Magistrate System; Statewide Identification Index; Statewide Warrant System; Courtroom Automation; and Statewide Juvenile Case Management System.

Projects dependent upon successful implementation of data standards include:

*SAFIS;
Statewide Integrated Criminal History;
Magistrate System;
Statewide Identification Index;
Statewide Warrant System;
Courtroom Automation; and
Statewide Juvenile Case Management
System*

COORDINATION AND COOPERATION OF STATE AND LOCAL AGENCIES

The data standardization is not easy, but benefits to the CJIN community outweigh all difficulties. To ensure and promote these benefits, the standardization committee will involve local agencies as a major contributor to the development of the data dictionary and audit procedures. The CJIN Governing Board believes that if the guidelines come from throughout the state and that standards have been cooperatively developed, the level of participation among local agencies will remain enthusiastic and supportive.

FUNDS SPENT ON THE SYSTEM

The State Highway Patrol has utilized a logical, phased-in approach as its method of deployment for expanding the Criminal Justice Information Network - Mobile Data Network (CJIN-MDN). A central site to house the CJIN-MDN message switch, radio network controller and telecommunication peripherals has been established at the State Highway Patrol Information Management Unit. This facility is located on state government property jointly occupied by the State Highway Patrol and State Bureau of Investigation in Raleigh, NC. The Patrol utilizes technical and logistical assistance from the Division of Criminal Information for network interface requirements to databases located at the Division of Criminal Information, National Crime Information Center, Administrative Office of the Courts, Department of Correction, Division of Motor Vehicles, State Information Processing Service, and local government computer assisted dispatch systems.

Full statewide coverage has begun with initial coverage on Interstate 85 and Interstate 95 from the South Carolina to the Virginia border. CJIN-MDN Phase One, funded through state appropriations and a federal grant (Drug Control and System Improvements - Byrne Grant #130-196-15B-D038) from the North Carolina Governor's Crime Commission, provides an approximate 20 mile envelope around the two interstate highways and will provide mobile data access to approximately 41% of the state's population base. The total amount spent on Phase I was \$2.5 million.

The initial phases of CJIN-MDN have been built on the concept of "Shared Resources". Costs to all participating agencies are reduced by simply sharing available resources that constitute the network. In formulating partnerships, the State Highway Patrol shares resources such as engineering support, currently licensed 800 MHz frequencies (spectrum), a premier microwave communication system, and network administrative responsibilities with local government agencies in return for their sharing of resources such as tower sites, base station controllers, leased telecommunications lines, digital sending units, and 800 MHz RF infrastructures that are currently in operation. A standard Memorandum of Agreement is used to validate the sharing of resources, provides an itemized list of resources shared with the network, and identifies which agency is providing them.

LONG-TERM COSTS OF STATEWIDE IMPLEMENTATION

CJIN-MDN Phase Two, as proposed, will be funded through state appropriations and a federal grant (Drug Control and System Improvements - Byrne Grant # 130- 1 -97- 15B-D-080) from the North Carolina Governor's Crime Commission. It will provide mobile data access to an additional 36% of the state's population base and will cost \$3.0 million.

CJIN-MDN Phase One and Two combined will impact 77% of North Carolina's population base and provide mobile data coverage to approximately 71% of North Carolina's geographical area.

Subsequent Phases Three, Four, and Five will continue the expansion CJIN-MDN until a statewide communications blanket provides access for all criminal justice agencies. It is projected that these remaining three phases will cost \$7.8 million.

To insure full and long term satisfaction, the CJIN-MDN mobile data technology provides North Carolina with a complete solution to current requirements and provides a data communications road map that will grow with the state's changing needs well into the next century. The involvement of the public safety community is essential to the success of CJIN-MDN. The integrated mobile data network will provide services to criminal justice agencies, regardless of size. It provides a method for interagency networking and data communications utilizing advanced technology, while sharing basic resources.

40591		Actual Expenditures		Auth'd Budget		FY '97-98		FY '98-99	
Object	Description	94-95	95-96	96-97	DMV	Reg. Denial	Total	DMV	Total
020	Salaries and Wages	\$ 1,299,396	\$ 1,292,050	\$ 1,416,913	\$ 1,416,913		\$ 1,416,913	\$ 1,416,913	\$ 1,416,913
050	Sal & Wages - Longevity	\$ 13,418	\$ 19,872	\$ 20,321	\$ 26,625		\$ 26,625	\$ 27,812	\$ 27,812
080	Sal & Wages - Premium	\$ 616	\$ 4,307	\$ -	\$ -		\$ -	\$ -	\$ -
090	Sal & Wages - Overtime	\$ 712	\$ 2,027	\$ -	\$ -		\$ -	\$ -	\$ -
201	Hospitalization	\$ 76,990	\$ 74,903	\$ 79,856	\$ 79,856		\$ 79,856	\$ 79,856	\$ 79,856
202	Social Security	\$ 98,754	\$ 98,593	\$ 110,561	\$ 111,387		\$ 111,387	\$ 111,478	\$ 111,478
203	Retirement Contrib.	\$ 23,361	\$ 20,440	\$ 33,165	\$ 24,069		\$ 24,069	\$ 24,069	\$ 24,069
204	LEO Retirement Contrib.	\$ 175,718	\$ 178,804	\$ 179,201	\$ 193,331		\$ 193,331	\$ 193,519	\$ 193,519
206	Special Separation	\$ 9,108	\$ 12,379	\$ 8,000	\$ 12,500		\$ 12,500	\$ 12,500	\$ 12,500
220	Payroll Additives	\$ 22,390	\$ 18,026	\$ 24,213	\$ 17,643		\$ 17,643	\$ 17,643	\$ 17,643
223	P/R Add. Longevity	\$ 232	\$ 278	\$ 362	\$ 332		\$ 332	\$ 346	\$ 346
225	P/R Add. Overtime Pay	\$ 10	\$ 54	\$ -	\$ -		\$ -	\$ -	\$ -
226	P/R Add. Premium Pay	\$ 12	\$ 26	\$ -	\$ -		\$ -	\$ -	\$ -
	Subtotal Personal Expenses	\$ 1,720,717	\$ 1,721,759	\$ 1,872,597	\$ 1,882,656	\$ -	\$ 1,882,656	\$ 1,884,136	\$ 1,884,136

(Note: salary budget in FY 99-00 and FY 00-01 was based on estimated 4% increase each year.)

233	Educational Expenses		\$ 42	\$ 3,500	\$ 24,862	\$ 5,000	\$ 29,862	\$ 24,862	\$ 24,862
236	In-State Subsistence	\$ 8,751	\$ 11,906	\$ 25,376	\$ 68,850	\$ 17,750	\$ 86,600	\$ 68,850	\$ 68,850
237	In-State Transportation	\$ 146,762	\$ 189,598	\$ 154,950	\$ 309,260	\$ -	\$ 309,260	\$ 309,260	\$ 309,260
238	Out of State Subsistence	\$ 2,532	\$ 2,734	\$ 1,742	\$ 4,448	\$ 4,980	\$ 9,428	\$ 4,448	\$ 4,448
239	Out of State Transportation	\$ 1,116	\$ 1,297	\$ 2,413	\$ 3,726	\$ 5,416	\$ 9,142	\$ 3,726	\$ 3,726
240	Other Travel Expenses	\$ 1,405	\$ 405	\$ 532	\$ 1,780		\$ 1,780	\$ 1,780	\$ 1,780
310	Professional Fees	\$ 146,944	\$ 322,991	\$ -	\$ -	\$ 3,274,400	\$ 3,274,400	\$ -	\$ 439,800
321	Freight Express & Drayage	\$ 875	\$ 397	\$ 704	\$ 1,000		\$ 1,000	\$ 1,000	\$ 1,000
322	Telephone	\$ 84,755	\$ 98,330	\$ 73,219	\$ 99,600		\$ 99,600	\$ 9,600	\$ 9,600
323	Postage	\$ 90	\$ 14	\$ 1,401	\$ 1,764		\$ 1,764	\$ 1,764	\$ 1,764
342	Other Equipment Repair & Service	\$ 2,950	\$ 3,169	\$ 3,613	\$ 3,000		\$ 3,000	\$ 3,000	\$ 3,000
347	D.P. Equipment Repair and Service		\$ -	\$ 1,800	\$ 800		\$ 800	\$ 800	\$ 800
351	Insurance and Bond Premiums	\$ 577	\$ 1,619	\$ 2,119	\$ 1,500		\$ 1,500	\$ 1,500	\$ 1,500
352	Dues Subscription, Promot & Adv.			\$ 5,000	\$ -	\$ 15,000	\$ 15,000	\$ -	\$ 15,000
410	Office Supplies	\$ 34,713	\$ 34,028	\$ 65,194	\$ 35,000		\$ 35,000	\$ 35,000	\$ 35,000
411	Printing and Binding		\$ -		\$ 15,297		\$ 15,297	\$ 15,297	\$ 15,297
412	Uniforms, Arms, etc.	\$ 27,470	\$ 1,535	\$ 2,333	\$ 7,286		\$ 7,286	\$ 7,286	\$ 7,286
413	Software - Data Processing	\$ 468	\$ -	\$ 700	\$ 3,430		\$ 3,430	\$ 3,430	\$ 3,430
441	Repair & Replacement Parts	\$ 8,119	\$ 8,624	\$ 35,569	\$ 12,166		\$ 12,166	\$ 12,166	\$ 12,166
443	License Plates and Stickers	\$ 64,500	\$ 64,500	\$ 24,644	\$ 87,500		\$ 87,500	\$ 87,500	\$ 87,500
469	Motor Vehicle Operations	\$ 5,728	\$ 4,652	\$ 4,769	\$ 5,500		\$ 5,500	\$ 5,500	\$ 5,500
473	Photo. Supplies	\$ 103	\$ 385	\$ 1,200	\$ 1,420	\$ 100	\$ 1,520	\$ 1,420	\$ 1,420
474	Shop Supplies & Small Tools	\$ 471	\$ 10	\$ 2,950	\$ 3,910		\$ 3,910	\$ 3,910	\$ 3,910
475	Medical & Safety Supplies		\$ -	\$ 812	\$ 980		\$ 980	\$ 980	\$ 980
510	D.P. Equipment	\$ 8,158	\$ 458	\$ 6,000	\$ 11,820		\$ 11,820	\$ 11,820	\$ 11,820
511	Office Furniture & Equipment	\$ 2,294	\$ 1,329	\$ 3,120	\$ 4,500		\$ 4,500	\$ 4,500	\$ 4,500
515	Misc. Equipment	\$ -	\$ 280	\$ 2,000			\$ -		\$ -
517	LEO Auto Accessories	\$ -	\$ 83	\$ 910	\$ 900		\$ 900	\$ 900	\$ 900
518	Communication Equipment		\$ -	\$ 1,650	\$ 1,000		\$ 1,000	\$ 1,000	\$ 1,000
523	Rent of Other Equipment	\$ 18,224	\$ 10,481	\$ 5,692	\$ 13,500		\$ 13,500	\$ 13,500	\$ 13,500
637	Safety Inspection Invest.	\$ 49,945	\$ 36,891	\$ 2,000	\$ 54,320	\$ -	\$ 54,320	\$ 55,950	\$ 55,950
	Subtotal Operating Expenses	\$ 616,950	\$ 795,758	\$ 435,912	\$ 779,119	\$ 3,322,646	\$ 4,101,765	\$ 690,749	\$ 454,800
	TOTAL EXPENDITURES	\$ 2,337,667	\$ 2,517,517	\$ 2,308,509	\$ 2,661,775	\$ 3,322,646	\$ 5,984,421	\$ 2,574,885	\$ 454,800

% of +/-	IM Revenues
6.34%	'94-95 (IM and Non-IM Fund) \$ 2,928,508
6.52%	'95-96 \$ 3,119,430
4.00%	'96-97 (based on July - Jan) \$ 3,244,207
4.00%	'97-98 \$ 3,373,975
4.00%	'98-99 \$ 3,508,935
4.00%	'99-00 \$ 3,649,292
4.00%	'00-01 \$ 3,795,263

	FY 97 - 98	FY 98 - 99
Estimated cumulative receipts at year-end	\$ 1,220,047	\$ 609,601
Anticipated receipts with estimated annual increase of 4%	\$ 3,373,975	\$ 3,508,935
CMAQ Funds to cover first year of registration denial	\$ 2,000,000	\$ -
Funds available to apply toward program expenditures	\$ 6,594,022	\$ 4,118,536
Less estimated expenditures	\$ 5,984,421	\$ 3,029,685
Balance in 0591 account	\$ 609,601	\$ 1,088,851

State of North Carolina

**Criminal Justice Information
Network**

Ron Hawley, Assistant Director
NC State Bureau of Investigation
Vice Chairman, CJIN Governing Board

State of North Carolina

Criminal Justice Information Network

Ron Hawley

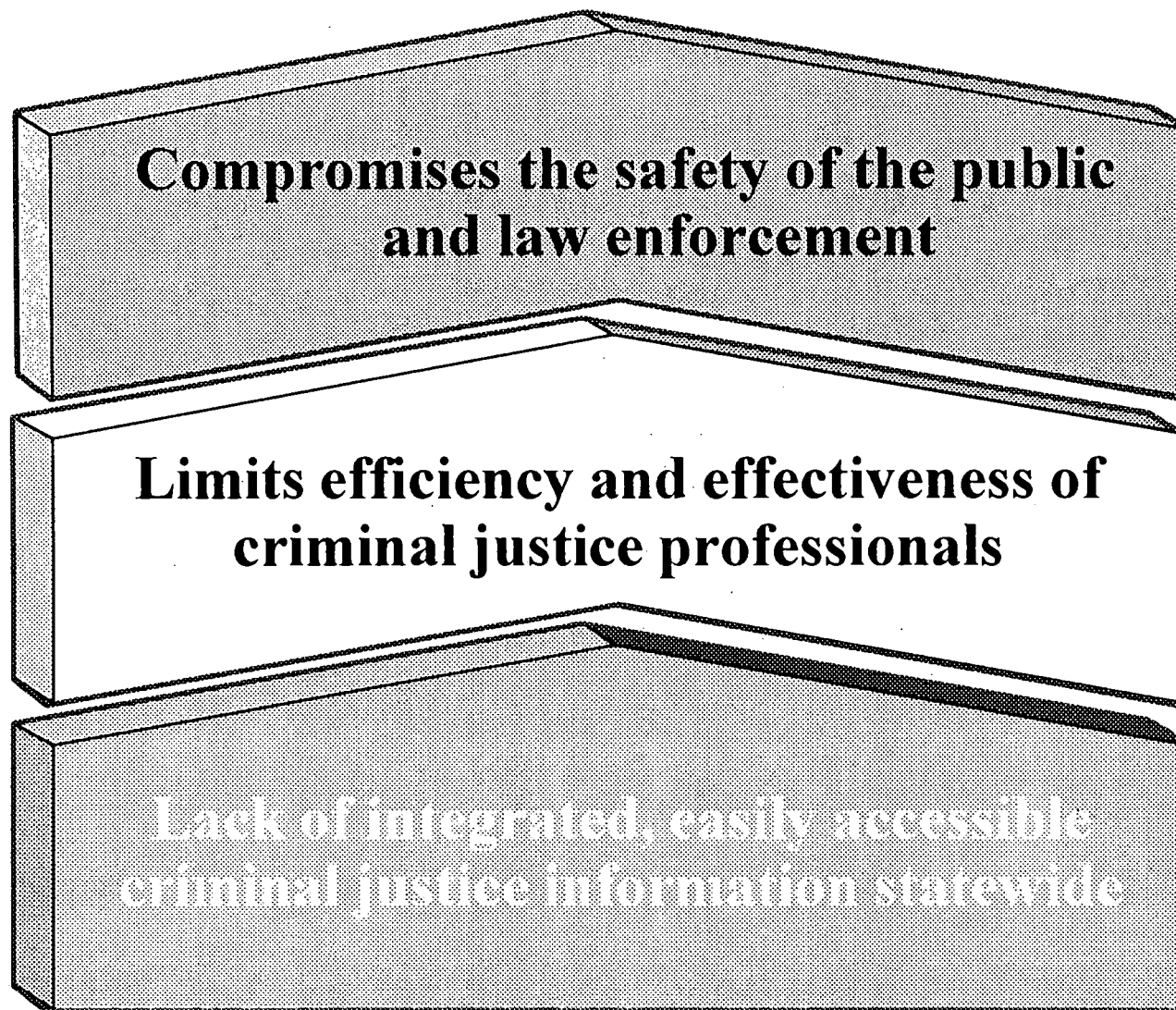
April 3, 1997

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Project Objective

“To identify alternatives for development of a statewide criminal justice information network that will enable a properly authorized user to readily access and effectively use information regardless of its location in national, state or local databases.”

Summary of Findings



CJIN Findings

- Takes too long positively identify persons
- No single, comprehensive criminal history
- No single source of outstanding warrants
- Excessive redundant data entry
- No statewide, interagency mobile voice and data communications

CJIN Recommendations

- ✓ Establish CJIN Governance Board
- ✓ Adopt system architecture standards
- ✓ Establish data sharing standards
- ✓ Implement livescan statewide with AFIS

CJIN Recommendations (continued)

- ✓ Implement magistrate warrant system statewide
- ✓ Build statewide identification index
- ✓ Implement statewide mobile voice and data infrastructure

What are the first steps?

**Implement
TCP/IP**

**CJIN security
pilots**

**Implement
livescan systems**

III

NORTH CAROLINA HIGHWAY PATROL COST BENEFIT ANALYSIS MOBILE DATA SYSTEM

OFFICE TIME REDUCTION FOR STATE TROOPERS

Reports can be done in the field using this technology
In 1996 State Troopers spent 171,033 hours in office doing reports (Troopers only)
Patrol would expect time savings for supervisors
A twenty-five percent reduction in office time is a conservative estimate
 $171,033 / 25\% = 42,758$ hours
42,758 hours @ Senior Trooper at midpoint = \$82,330 SAVINGS PER YEAR
42,758 MORE HOURS ON PATROL

CLERK OF COURTS SAVINGS

Officer enters citation into court database electronically (no re-entry by clerk of court)
Savings of three minutes each citation to enter into the system.
In the fiscal year of 1995-1996, Officers issued 1,340,364 citations throughout the State
(Does not include entering judgment or correction of errors)
Citations are received by the court and other agencies in a timely manner.
Citations are more legible and accurate due to using the computer.
PAY GRADE 59 = \$1,020,371 SAVINGS PER YEAR

DEPARTMENT OF MOTOR VEHICLES ACCIDENT RECORDS

Officer enters accident report into DMV database electronically
No re-entry by the Department of Motor Vehicles - Estimated saving of four minutes per report
1995 motor vehicle collisions - Total Statewide - 214,824
Pay grade 59 = \$218,651 SAVINGS PER YEAR

ESTIMATED MEASURABLE BENEFIT TO THE CITIZENS OF NORTH CAROLINA
\$1,321,352

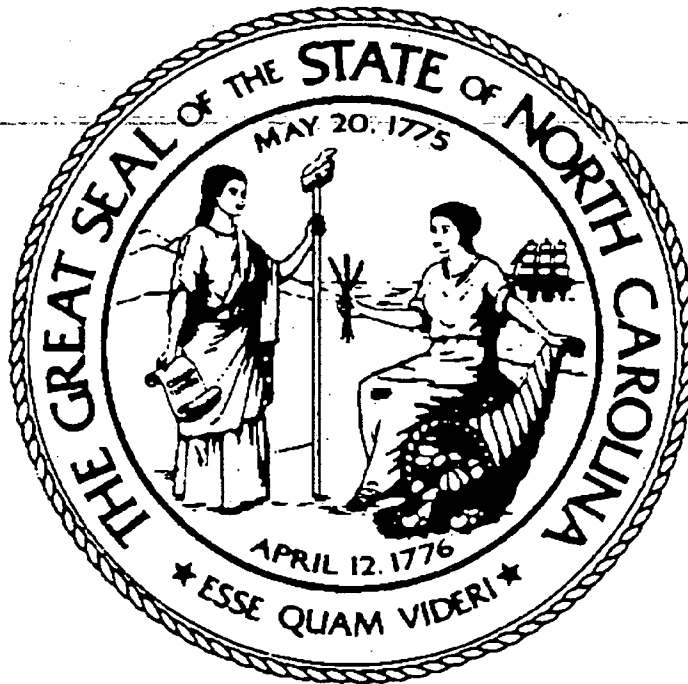
OTHER BENEFITS TO THE STATE:

- * Increased Officer Safety: *State Law Enforcement Officer Killed in Line of Duty*
(Approximately \$300,000 in State funds; \$134,571 Federal funds)
- * Increased apprehension of dangerous criminals
- * Effective identification of suspects and stolen items
- * Time savings for police telecommunicators
- * Time savings for police support personnel
Information does not need to be re-entered into the computer
- * More timely and accurate information

MOBILE DATA PILOT RESULTS IN WAKE COUNTY (36 Troopers)

ACTIVITY	1994	1996	Percent of Increase
Motor vehicle larceny	4	7	57%
Vehicle recovered	27	51	53%
No Driver's License	1,912	2,518	76%
Suspended or Revoked License	1,539	2,007	77%

**The North Carolina
Criminal Justice Information Network
Governing Board:
Fingerprint Capture & Electronic Transmission**



April 3, 1997

THE PROBLEM

Every day, hundreds of individuals are arrested and fingerprinted in North Carolina and those fingerprints are submitted to the North Carolina State Bureau of Investigation's (SBI) Identification Division. Those fingerprints are mailed and it may take months before a response can be returned to the law enforcement agency. Therefore, law enforcement, magistrates and judges are unable to use criminal history record information (CHRI) based on positive fingerprint identification in their decisions. This has been the process relied on by law enforcement for years to support their need of positive identification.

Although most offenders are known, there are those instances when a person uses false identification at the time of arrest. We have all heard of cases where an individual was arrested, fingerprinted, released from custody only to learn they were wanted for other crimes. All too often, we learn of this when the individual has committed another crime, such as murder or rape. If the criminal record had been available to the magistrate at the time of the arrest, it is likely the person would not have been free to commit the subsequent crime. This flaw in the system should not continue.

This is further complicated by the fact fingerprint submissions to the SBI continue to rise. Law enforcement is responding to the need to identify all perpetrators and thus more and more misdemeanants are being fingerprinted. As an example, the SBI has seen close to a 500% increase in the fingerprint submission rate from one agency which began submitting all misdemeanors in February 1997.

In addition to the criminal fingerprint cards, we have seen unprecedented growth in non criminal justice work. The increased authorization for use of fingerprint-based record checks as a matter of public safety has greatly stressed the existing process.

A NEED TO MOVE FORWARD

This problem does not have to continue. There is technology available that allows agencies to electronically submit fingerprint cards to the SBI in a matter of minutes. We have the ability to move forward and locate electronic fingerprint workstations in every county of North Carolina.

On April 7, 1995, the State of North Carolina released the comprehensive Criminal Justice Information Network Study (CJIN Study). This CJIN Study and the April 1, 1997, report of the CJIN Governing Board to the General Assembly detail the need for a statewide automated fingerprint identification system (SAFIS) that provides electronic submission of fingerprints.

As quoted in part from the State of North Carolina CJIN Study:

Establishment of a statewide automated fingerprint identification system (SAFIS) which supports the following goal:

- SAFIS will provide the user positive identification based on fingerprints in less than two hours.

SAFIS will consist of the following components:

- A centralized arrest intake facility in each county with a live scan device that is electronically linked to the State Bureau of Investigation's (SBI) Division of Criminal Information (DCI) to record fingerprints of all felons and misdemeanants.

The SBI's Division of Criminal Information (DCI) is responsible for the management of the SAFIS. In this role, DCI has recognized the need to continue SAFIS expansion by upgrading the SAFIS during the past three years. A planned business recovery upgrade in late 1997 will position the SAFIS to meet the CJIN and SBI goal of immediate and positive identification from the point of fingerprinting. The forthcoming upgrade will increase the fingerprint data base capacity from 900,000 to 1,700,000 sets of fingerprints and also provide disaster recovery capabilities at another site.

RECOMMENDATIONS

North Carolina is positioned to take a significant step forward in the fight against crime. The solution, if implemented, would address this public safety need. The recommended solution is to provide each county with the ability to submit fingerprints electronically. Based on an individual agency's needs and requirements, one of several workstations would be used to allow for electronic submission to the SBI's Identification Division. Using these workstations, law enforcement agencies in North Carolina would receive positive identification of criminals during their initial contacts.

- **Live scan fingerprint workstation -**
This device eliminates the need take any inked fingerprints by electronically capturing an individual's actual fingerprints on a scanner. The fingerprint image data along with descriptor and charge data entered at the live scan fingerprint workstation can be electronically transmitted to the SBI.

- **Fingerprint capture workstation -**
This work station would utilize one set of inked fingerprint impressions which were scanned into electronic format. The fingerprint image data along with descriptor and charge data entered at the fingerprint capture workstation would be electronically transmitted to the SBI.
- **Data capture workstation -**
The data capture workstation would generate a 2D Bar Code that contains descriptor and charge data. This would generate a fingerprint card which could then be scanned into electronic format.

SUPPORTING DATA

With funds made available through the federal government and Governor Hunt's 1993 special crime session, the SBI has developed an AFIS that can now accept electronic fingerprint card submissions from different vendors. Agencies with live scan workstations in nineteen North Carolina counties have the capacity to submit electronic fingerprint cards. That leaves eighty-one counties without the ability to electronically submit fingerprints. The North Carolina Governor's Crime Commission is considering live scan funding for four agencies that would reduce to seventy-seven the number of counties without this capability. The projected costs reflect coverage for all counties in North Carolina.

Using the numbers of fingerprints submissions (See attachments A, B & C for fingerprint submissions by county), the CJIN Governing Board will work with the sheriffs and chiefs to develop a plan for deploying these workstations. This approach is scalable through the use of a phased implementation schedule.

ESTIMATED COST

<u>Requirement</u>	<u>Number</u>	<u>Cost Per</u>	<u>Total</u>
Fingerprint capture workstations	74	\$ 20,000	\$ 1,480,000
Live scan fingerprint workstations	3	\$ 50,000	\$ 150,000
AFIS verification stations	4	\$ 50,000	\$ 200,000
Communications hardware	N/A	\$ 160,000	
Network			
One time line installation	77	\$ 1,600	\$ 123,200
One year recurring line charge	77	\$ 9,625	\$ 741,125
Total Estimated Cost			\$ 2,854,325

Attachment A
Fingerprint Submissions
By the Number of Submissions¹

County	No. of Submissions	County	No. of Submissions
1. Hyde	30	51. Scotland	500
2. Clay	40	52. Beaufort	510
3. Tyrrell	40	53. Person	525
4. Alleghany	50	54. Surry	525
5. Yancey	50	55. Caldwell	550
6. Jones	70	56. Granville	550
7. Camden	75	57. Rockingham	550
8. Madison	75	58. Vance	550
9. Mitchell	75	59. Columbus	575
10. Washington	75	60. Hertford	575
11. Warren	85	61. Lee	600
12. Ashe	100	62. Nash	600
13. Graham	100	63. Richmond	600
14. Swain	100	64. Bladen	630
15. Avery	110	65. Lenoir	650
16. Macon	125	66. Rutherford	650
17. Pamlico	125	67. Burke	700
18. Polk	125	68. Rowan	700
19. Yadkin	125	69. Halifax	725
20. Cherokee	130	70. Cleveland	750
21. Transylvania	150	71. Craven	825
22. Gates	175	72. Harnett	850
23. Greene	175	73. Johnston	900
24. Jackson	175	74. Moore	900
25. Caswell	180	75. Orange	900
26. Bertie	200	76. Cabarrus	1,000
27. Martin	200	77. Carteret	1,000
28. Northampton	200	78. Randolph	1,000
29. Alexander	250	79. Union	1,000
30. Hoke	250	80. Wilson	1,000
31. Perquimans	250	81. Iredell	1,150
32. Davie	275	82. Henderson	1,200
33. Watauga	275	83. Pasquotank	1,200
34. Anson	300	84. Robeson	1,300
35. Pender	300	85. Davidson	1,400
36. Chatham	325	86. Buncombe	1,700
37. Currituck	325	87. Edgecombe	1,800
38. Franklin	350	88. Onslow	1,900
39. Haywood	350	89. Wayne	1,900
40. Stanly	350	90. Catawba	2,000
41. Stokes	350	91. New Hanover	2,000
42. Wilkes	350	92. Gaston	2,400
43. Chowan	360	93. Durham	2,800
44. Brunswick	375	94. Forsyth	3,000
45. Duplin	400	95. Alamance	3,200
46. McDowell	400	96. Cumberland	3,300
47. Montgomery	400	97. Pitt	3,300
48. Lincoln	425	98. Guilford	5,700
49. Dare	450	99. Wake	6,700
50. Sampson	450	100. Mecklenburg	30,000
		Total	110,060

¹These figures are based on a review of 1995 and 1996 submissions. These numbers represent the highest submission for those years.

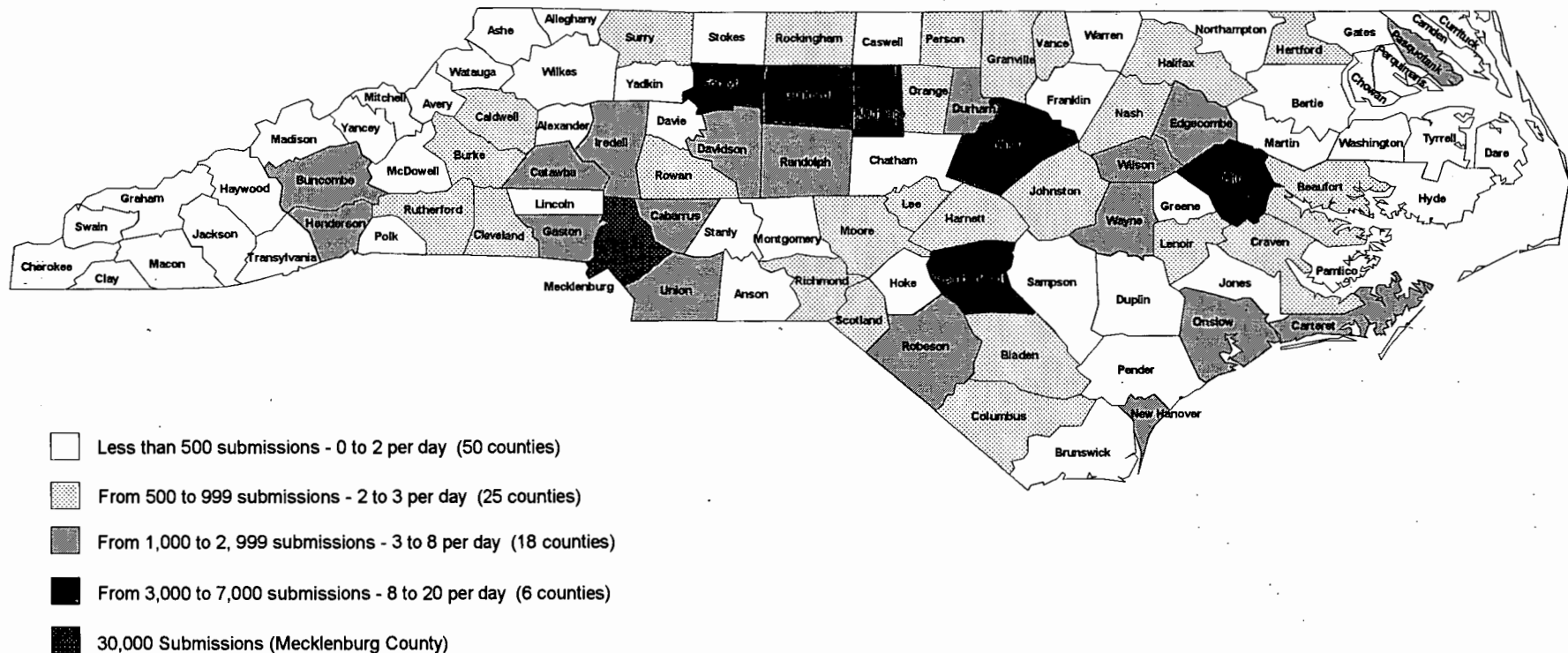
Attachment B
Fingerprint Submissions
By County¹

County	No. Of Submissions	County	No. of Submissions
1. Alamance	3,200	51. Johnston	900
2. Alexander	250	52. Jones	70
3. Alleghany	50	53. Lee	600
4. Anson	300	54. Lenoir	650
5. Ashe	100	55. Lincoln	425
6. Avery	110	56. Macon	125
7. Beaufort	510	57. Madison	75
8. Bertie	200	58. Martin	200
9. Bladen	630	59. McDowell	400
10. Brunswick	375	60. Mecklenburg	30,000
11. Buncombe	1,700	61. Mitchell	75
12. Burke	700	62. Montgomery	400
13. Cabarrus	1,000	63. Moore	900
14. Caldwell	550	64. Nash	600
15. Camden	75	65. New Hanover	2,000
16. Carteret	1,000	66. Northampton	200
17. Caswell	180	67. Onslow	1,900
18. Catawba	2,000	68. Orange	900
19. Chatham	325	69. Pamlico	125
20. Cherokee	130	70. Pasquotank	1,200
21. Chowan	360	71. Pender	300
22. Clay	40	72. Perquimans	250
23. Cleveland	750	73. Person	525
24. Columbus	575	74. Pitt	3,300
25. Craven	825	75. Polk	125
26. Cumberland	3,300	76. Randolph	1,000
27. Currituck	325	77. Richmond	600
28. Dare	450	78. Robeson	1,300
29. Davidson	1,400	79. Rockingham	550
30. Davie	275	80. Rowan	700
31. Duplin	400	81. Rutherford	650
32. Durham	2,800	82. Sampson	450
33. Edgecombe	1,800	83. Scotland	500
34. Forsyth	3,000	84. Stanly	350
35. Franklin	350	85. Stokes	350
36. Gaston	2,400	86. Surry	525
37. Gates	175	87. Swain	100
38. Graham	100	88. Transylvania	150
39. Granville	550	89. Tyrrell	40
40. Greene	175	90. Union	1,000
41. Guilford	5,700	91. Vance	550
42. Halifax	725	92. Wake	6,700
43. Harnett	850	93. Warren	85
44. Haywood	350	94. Washington	75
45. Henderson	1,200	95. Watauga	275
46. Hertford	575	96. Wayne	1,900
47. Hoke	250	97. Wilkes	350
48. Hyde	30	98. Wilson	1,000
49. Iredell	1,150	99. Yadkin	125
50. Jackson	175	100. Yancey	50
		Total	110,060

¹These figures are based on a review of 1995 and 1996 submissions. These numbers represent the highest submission for those years.

Attachment C

State Bureau of Investigation¹ Fingerprint Submissions by County



¹ These figures are based on a review of 1995 and 1996 submissions. These numbers represent the highest submission for those years.

April 3, 1997

CJIN GOVERNING BOARD

4/297

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High Point Police Department
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JOINT APPROPRIATIONS TRANSPORTATION SUBCOMMITTEE

Minutes
April 8, 1997
Room 1228 LB
8:00A.M.

The Joint Appropriations Transportation Subcommittee met on April 8, 1997 at 8:00A.M., in room 1228 of the Legislative Building. Four of the Senate committee members were present. The following members of the House committee were present:

Rep. Joanne Bowie	Rep. Jerry Dockham
Rep. Ed McMahan	Rep. Jim Gulley
Rep. Thomas Hardaway	Rep. Drew Saunders
Rep. Ronnie Sutton	

Senator Luther H. Jordan, Jr. opened the meeting. He turned the meeting over to Mr. Tony Goldman, staff. Mr. Goldman spoke about Computer Replacement Reserve and introduced Mr. Paul Roberts, DOT-MIS. Mr. Roberts handed out a Legislative Brief titled Computer Replacement Reserve. Rep. McMahan wanted to know if request included software and hardware, Mr. Roberts said yes.

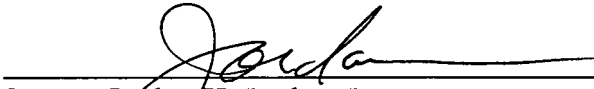
Mr. Larry Goode, DOT State Highway Administrator was introduced. Mr. Goode spoke of the need for \$30 million of Highway Fund dollars for Federal Aid match. Senator Carpenter wanted to know if money coming out of the Highway Trust Fund has a negative impact on road improvement. Mr. Goode said no.

Senator Jordan moved to the next item on the Agenda, Special provisions, see attached. Mr. Tony Goldman walked the committee through the special provisions. The first one, S014 is funded federally. In response to a question by Rep. Saunders, this provision exempts certain contracts from some state provisions. Provisions 2, S003, and provision 3, S024 are included annually in the budget bill.

Regarding the Special Provision S021A, Special Registration Plate Expense Change, each visitors center receives \$75,000. 17% of revenue goes to human resources, 50% to the Wildflower program. The Highway Fund would have to pay administrative cost. Mr. Goldman said that NER did not want to transfer Welcome Centers from Commerce to DOT because they relate more to Travel and Tourism. There was further discussion regarding costs. If the provision is accepted, the Highway Fund will have to pay. In response to a question regarding College Special Plates, \$15 goes back to the school. Rep. Sutton wanted to know how much goes to DMV. Ms. Carol Howard, DMV Vehicle Registration said \$40 is cost of plate, \$20 goes to the Highway Fund, \$10 to Special Registration Plate Fund and \$10 to Natural Heritage Trust Fund. Mr. Levenbook explained that that fund is to purchase undeveloped land.

Mr. Karl Knapp, staff talked about Revenue Projections, see handout titled Revised Revenue Estimates. Rep. Sutton wanted to know the impact on revenue due to the graduated license. Mr. Knapp said the impact would be negligible.

Senator Jordan adjourned the meeting at 9:45 A.M.



Senator Luther H. Jordan, Jr.
Senate Chairperson



Gloria Haywood
Senate Clerk

JOINT APPROPRIATIONS

TRANSPORTATION SUBCOMMITTEE

April 8, 1997

Agenda

Expansion Budget Review

1. Computer Replacement Reserve

Paul Roberts, MIS Director
DOT

2. Federal Aid Match

Larry Goode
State Highway Administrator
DOT

3. Special Provisions

Karl Knapp, Staff
Tony Goldman, Staff

4. Revenue Projections

Karl Knapp, Staff

5. Follow-up Issues

- Welcome Centers
Tony Goldman, Staff

REVISED REVENUE ESTIMATES

HIGHWAY FUND

	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>
Governor's Budget	\$1,086,838,000	\$1,119,245,000	\$1,138,617,000	\$1,175,806,000	\$1,204,086,000	\$1,233,965,000	\$1,264,609,000
Increase Staggered Registration Revenues	<u>\$5,426,492</u>	<u>\$5,540,022</u>	<u>\$5,636,457</u>	<u>\$5,720,983</u>	<u>\$5,806,837</u>	<u>\$5,893,934</u>	<u>\$5,982,315</u>
Revised Revenue Estimate	\$1,092,264,492	\$1,124,785,022	\$1,144,253,457	\$1,181,526,983	\$1,209,892,837	\$1,239,858,934	\$1,270,591,315

HIGHWAY FUND AVAILABILITY

1997-98	<u>Governor</u>	<u>Revisions</u>	<u>Revised</u>
Credit Balance	\$41,409,000	\$5,426,492	\$46,835,492
Revenues	<u>\$1,119,245,000</u>	<u>\$5,540,022</u>	<u>\$1,124,785,022</u>
Total Availability	\$1,160,654,000	\$10,966,514	\$1,171,620,514

1997-98	<u>Governor</u>	<u>Revisions</u>	<u>Revised</u>
Credit Balance	...	...	...
Revenues	<u>\$1,138,617,000</u>	<u>\$5,636,457</u>	<u>\$1,144,253,457</u>
Total Availability	\$1,138,617,000	\$5,636,457	\$1,144,253,457

HIGHWAY TRUST FUND

	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>
Governor's Budget	\$729,997,000	\$755,460,000	\$780,289,000	\$807,169,000	\$834,208,000	\$862,455,000	\$891,688,000
Increase Highway Use Tax Revenues	<u>\$48,415,988</u>	<u>\$50,321,305</u>	<u>\$52,404,348</u>	<u>\$54,570,728</u>	<u>\$56,823,696</u>	<u>\$59,166,891</u>	<u>\$61,603,825</u>
Revised Revenue Estimate	\$778,412,988	\$805,781,305	\$832,693,348	\$861,739,728	\$891,031,696	\$921,621,891	\$953,291,825

Legislative Brief Computer Replacement Reserve

The computer replacement reserve is a fund used by the Department to replace outdated and unrepairable computers. Where possible, computers that are replaced due to the need for more updated versions are utilized in other areas of the Department.

The amount requested is 1 million dollars for both 97/98 and 98/99.

This annual amount is 4.75%/year of the total dollar value of MIS hardware dollar value. (21 million).

There are 6,021 computers currently in DOT. This number also includes mainframe terminals (non-workstation units).

Management Information Systems has been assigned the responsibility for administration of the Replacement Reserve Fund. MIS oversees the ordering and placement of computers to ensure cost-effective implementation of the proper equipment for the various jobs performed by DOT employees.

Each year, all Divisions and Units submit a needs summary identifying the replacement needs of their organization. These requests are normally submitted in July. During the month of August, each request is reviewed and a deployment strategy is developed based on the needs and management priorities of the organization. Equipment requisitions are completed in September and submitted to purchasing. Equipment is received and installed in December and January.

Legislative Brief: Computer Replacement Reserve

North Carolina Department of Transportation
Director: P.A. Roberts Program Manager: W. Cuthbert

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Each year, all Divisions and Units submit a needs summary identifying the replacement needs of their organization. These requests are normally submitted in July. During the month of August, each request is reviewed and a deployment strategy is developed based on the needs and management priorities of the organization. Equipment requisitions are completed in September and submitted to purchasing. Equipment is received and installed in December and January.

**TABLE 1: HISTORY OF N.C. SPECIAL REGISTRATION PLATE REVENUES
AND DISTRIBUTION OF FUNDS**

State Fiscal Year	Net Revenues (*)	DMV Expenses GS 20-79.7 (c) (1)	Visitor Centers GS 20-79.7 (c) (2)	Sepcial Events (Deleted)	Dept. of Commerce GS 20-79.7 (c) (3) (a) (33%)	NCDOT Wildflower Program GS 20-79.7 (c) (3) (b) (50%)	Department of Human Resources GS 20-79.7 (c) (3) (c) (17%)
1983	468,993	234,459			117,267	117,267	
1984	748,879	336,287			206,296	206,296	
1985	970,843	268,959			350,942	350,942	
1986	1,237,886	281,438			365,628	478,224	50,000
1987	1,360,764	292,468			402,538	534,148	50,000
1988	1,715,868	551,730		31,435	517,998	566,351	192,560
1989	1,916,272	621,719		37,788	414,732	628,383	213,650
1990	1,958,499	555,181	50,000	64,050	425,458	644,634	219,176
1991	1,816,909	491,047	99,900	59,954	384,783	583,004	198,221
1992	1,797,718	543,352	150,000	91,288	334,316	506,539	172,223
1993	1,833,629	603,933	150,000		356,300	539,848	183,548
1994	1,945,938	589,198	325,000		340,474	515,870	175,396
1995	2,025,395	628,917	375,000		337,088	510,739	173,651
1996	2,192,743	656,058	525,000		333,856	505,843	171,986

CODE NO. 97TRANS-S014

Requested by: Senator Jordan

**DEPARTMENT OF TRANSPORTATION EXEMPTION FROM GENERAL STATUTES FOR
EXPERIMENTAL PROJECT--CONGESTION MANAGEMENT**

1 Sec. @. The Department of Transportation may enter into
2 a design-build-warrant contract to develop, with Federal Highway
3 Administration participation under The 1991 Intermodal Surface
4 Transportation Efficiency Act, Title VI, Part B, Sections 6051-
5 6059, a "Congestion Avoidance and Reduction for Autos and Trucks
6 (CARAT)" system of traffic management for the greater Charlotte-
7 Mecklenburg urban areas. Notwithstanding any other provision of
8 law, contractors, contractors' employees, and Department of
9 Transportation employees involved in this project only do not
10 have to be licensed by occupational licensing boards as "license"
11 and "occupational licensing board" are defined in G.S. 93B-1; and
12 for the purpose of entering into contracts, the Department of
13 Transportation is exempted from the provisions of the following
14 General Statutes: G.S. 136-28.1, 143-52, 143-53, 143-58, 143-128,
15 and 143-129. These statutory exemptions are limited and
16 available only to the extent necessary to comply with federal
17 rules, regulations, and policies for completion of this project.
18 The Department of Transportation shall report quarterly
19 to the Joint Legislative Transportation Oversight Committee on
20 its efforts to enter into a design-build-warrant contract and to
21 award and construct the project. The report shall include, but
22 not be limited to, the number of types of firms bidding on the
23 project, special qualifications of the firms bidding, and the
24 effect statutory exemptions might have had on the award and
25 construction of the project and the receipt of federal
26 discretionary funding for the project.

CODE NO. 97TRANS-S003

Requested by: Senator Jordan

RESURFACED ROADS MAY BE WIDENED

1 Sec. @.Chapter 136 of the General Statutes is amended by
2 adding a new section to read:

3 "§ 136-44.16. RESURFACED ROADS MAY BE WIDENED.

4 Of the contract maintenance resurfacing program funds
5 appropriated by the General Assembly to the Department of
6 Transportation, an amount not to exceed fifteen percent (15%) of
7 the Board of Transportation's allocation of these funds may be
8 used for widening existing narrow pavements that are scheduled
9 for resurfacing."

CODE NO. 97TRANS-S024

Requested by: Senator Jordan

CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

1 Section @. The General Assembly authorizes and
2 certifies anticipated revenues of the Highway Fund as follows:

3 FY 1999-2000	\$1,181.5 million
4 FY 2000-2001	\$1,209.9 million
5 FY 2001-2002	\$1,239.9 million
6 FY 2002-2003	\$1,270.6 million

7

8 The General Assembly authorizes and certifies anticipated
9 revenues of the Highway Trust Fund as follows:

10 FY 1999-2000	\$861.7 million
11 FY 2000-2001	\$891.0 million
12 FY 2001-2002	\$921.6 million
13 FY 2002-2003	\$953.3 million

Requested by: Senator Jordan

SPECIAL REGISTRATION PLATE EXPENSE CHANGE

- 1 Sec. @. (a) G.S. 20-79.7(c)(1) is repealed.
- 2 (b) G.S. 20-79.7(c)(2) reads as rewritten:
- 3 "(2) ~~From the funds remaining in the Special~~
- 4 ~~Registration Plate Account after the deductions in~~
- 5 ~~accordance with subdivision (1) of this subsection,~~
- 6 ~~there~~ There is annually appropriated from the
- 7 Special Registration Plate Account the sum of five
- 8 hundred twenty-five thousand dollars (\$525,000) to
- 9 provide operating assistance for the Visitor
- 10 Centers:
- 11 a. on U.S. Highway 17 in Camden County,
- 12 (\$75,000);
- 13 b. on U.S. Highway 17 in Brunswick County,
- 14 (\$75,000);
- 15 c. on U.S. Highway 441 in Macon County,
- 16 (\$75,000);
- 17 d. in the Town of Boone, Watauga County,
- 18 (\$75,000);
- 19 e. on U.S. Highway 29 in Caswell County,
- 20 (\$75,000);
- 21 f. on U.S. Highway 70 in Carteret County,
- 22 (\$75,000); and
- 23 g. on U.S. Highway 64 in Tyrrell County,
- 24 (\$75,000)."

CODE NO. 97TRANS-S020

Requested by: Senator Jordan

F.E.M.A. RECEIVABLES

1 Sec. @. The Department of Transportation shall report
2 to the Joint Legislative Transportation Oversight Committee and
3 the Fiscal Research Division by March 1, 1998 on the status of
4 Federal Emergency Management Agency receivables for past natural
5 disasters and the efforts by the state to collect those funds
6 from the federal government.

CODE NO. 97TRANS-S018

Requested by: Senator Jordan

FEASIBILITY STUDY OF DRIVERS EDUCATION TESTING

1 Section @. The Department of Transportation and the
2 Department of Public Instruction shall conduct a study of the
3 feasibility of having drivers education instructors, rather than
4 Division of Motor Vehicles examiners, administer the required
5 written and road tests before a student is issued his or her
6 first drivers permit or license.
7 The Department of Transportation shall report to the Joint
8 Legislative Transportation Oversight Committee and the Fiscal
9 Research Division by March 1, 1998 on the results of this
10 feasibility study along with any enabling legislation necessary
11 to implement any recommended changes.

VISITOR REGISTRATION SHEET

APPROPRIATIONS-DEPARTMENT OF TRANSPORTATION

Committee

Date _____

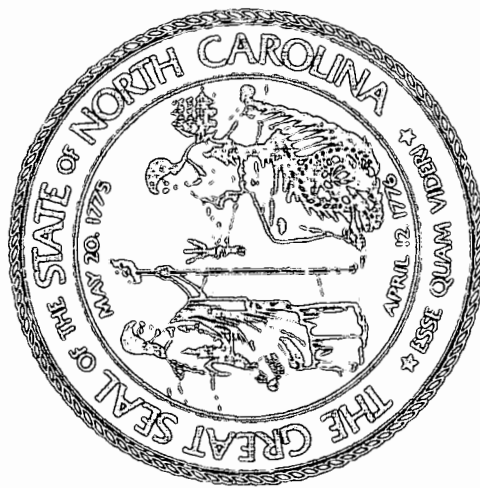
VISITORS: Please sign below and return to Committee Clerk

NAME	FIRM or AGENCY and ADDRESS
✓ Milton G. Aelf	OSBA
Carol Simile	DOT
Carol Holland	DMV
Rosa V. Dale	DMV
PAUL ROBERTS	DOT
Terry Arrowood	DMV
Wayne Horden	DMV
Ruth Siskel	NC DOT
C. A. Gardner	NC DOT
L. R. Booth	NC DOT
✓ Edwin M. Fountain II	NC DOT / DMV
Christi Tomber	CAPA
David King	NC DOT
Meridie Boston	NC DOT
Amanda Davis	Sierra Club
Gabe Long	Martin's
Patrick Silberman	NC DOT, Rail
Danar Stem	UTV

S. GORTON
Clerk

1997-99

The North Carolina State Budget Transportation



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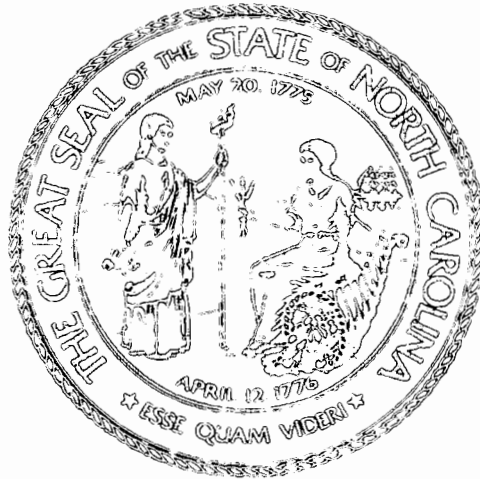
James B. Hunt, Jr.

Volume 6

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